Daily Report

Latin America

FBIS-LAT-93-102
Friday
28 May 1993

Daily Report
Latin America

FBIS-LAT-93-102 *28 May 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Japanese Nuclear Fuel Shipment Through Caribbean Criticized *[CANA]* 1
Caribbean Banana Producers Oppose GATT Ruling *[CANA]* 1

CARIBBEAN

Cuba

Editorial Urges Maximum Punishment for Violent Crime *[Havana Radio]* 2
Official on Impact of Debt, Poverty on Health Conditions *[Madrid EFE]* 2
Manufactured Gas Service Restored Following Breakdown *[Havana TV]* 2

Haiti

Summary of Caputo Memorandum on Police Force Published *[Port-au-Prince Radio]* 3
Firmin, Emmanuel on Aristide Optimism, Confidence *[Port-au-Prince Radio]* 3
CISN Seeks Departure of Government, Coupists *[Port-au-Prince Radio]* 3
Chamber President Welcomes News of National Conference *[Port-au-Prince Radio]* 4

St. Vincent and the Grenadines

CET Implementation To Follow Passage of Customs Bill *[CANA]* 4

MEXICO

Government Issues Communique on Events in Guatemala *[Mexico City TV]* 5
PGR Offers Reward for Cardinal Ocampo's Killers *[Mexico City TV]* 5
Blanco Reports Complementary Agreements Negotiations *[Mexico City TV]* 5

CENTRAL AMERICA

Guatemala

Serrano Appoints New Supreme Court President *[ACAN]* 7
Supreme Court President's Home Searched *[Madrid EFE]* 7
Congress Asks Army To Overthrow President Serrano *[NOTIMEX]* 7
Ambassador to U.S. Resigns in Protest *[AFP]* 7
Police Disperse Demonstration Against Coup *[NOTIMEX]* 8
Demonstrations Continue *[NOTIMEX]* 8
Menchu Attends Protest Mass, Addresses Rally *[ACAN]* 8
Rebels Withdraw From Negotiations in Protest *[NOTIMEX]* 9
Government Denounces Withdrawal *[ACAN]* 10
Defense Minister Defends Serrano's Self-Coup *[AFP]* 10
PRENSA LIBRE Circulates Despite Censorship *[NOTIMEX]* 10
Journalists Reportedly Ordered Arrested *[NOTIMEX]* 11
Costa Rican Daily Publishes Censored Editorials *[AFP]* 11
Some Papers, TV Stations To Resume Under Censorship *[ACAN]* 12
Public Organizations Fear Rights Violations *[Madrid EFE]* 12
Serrano Presents Funds to Hospitals *[Guatemala City Radio]* 13
* Justice Department Requests Budget Supplement *[SIGLO VEINTIUNO 25 Feb]* 13
* First Quarter Ends With Increased Reserves *[SIGLO VEINTIUNO 2 Apr]* 14

* Deforestation Linked to Military Withdrawal *[SIGLO VEINTIUNO 25 Feb]* 14
* Tourism in 1992 Increases Over 1991 Number *[DIARIO DE CENTRO AMERICA 11 Mar]* 15
* CPR Inhabitants Seek Refuge in Mexico *[PRENSA LIBRE 24 Mar]* 15
* Violent Deaths Drop 50 Percent in Jan-Feb *[PRENSA LIBRE 7 Mar]* 16
* Spain Signs Judicial Cooperation Agreement *[SIGLO VEINTIUNO 23 Mar]* 16

Nicaragua

Government Abstains From Condemning Guatemala Coup *[Managua Radio]* 16
UNO States Position on Talks With Government *[Managua Radio]* 16
Dialogue Participants Establish Modernization Timetable *[Managua Radio]* 17
Telcor Reports Destruction of Transmission Tower *[Managua TV]* 17
Recompas Reportedly Concentrate in Security Zones *[Managua Radio]* 18

Panama

Suspended Mayor Correa Sues Magistrates *[EL PANAMA AMERICA 27 May]* 18
Legislator on Ties With Cuba; Mediation on Blockade *[LA PRENSA 27 May]* 18
Transportation Sector Leader on New Law *[LA ESTRELLA DE PANAMA 27 May]* 19

SOUTH AMERICA

Argentina

Menem Orders Probe of Falklands Execution Reports *[TELAM]* 20
To 'Protest' if Killings Proven *[TELAM]* 20
Di Tella: Scotland Yard To Investigate *[TELAM]* 20
Brazil's Franco Signs Trade Agreements *[TELAM]* 21
Anti-Drug Agency Gets U.S. Funds *[TELAM]* 21

Bolivia

Editorial Supports Change in U.S. Drug Control Policy *[PRESENCIA 18 May]* 22
Banzer Does Not Rule Out Alliance With MNR *[PRESENCIA 23 May]* 22
German Citizen Allegedly Involved in Arms Case Surrenders *[La Paz TV]* 23

Brazil

Planning Ministry Officials Announce Budget Cuts *[O GLOBO 26 May]* 23
President Prefers Budget Cuts to Money Issuance *[Brasilia Radio]* 23
Franco Meets Chilean President, Speaks at Congress *[Brasilia Radio]* 23
Foreign Minister-Designate Views New Duties *[FOLHA DE SAO PAULO 22 May]* 24
Lula 'Does Not Want' Reelection as PT President *[Brasilia Radio]* 25

Chile

Aylwin 'Would Have Preferred' Pinochet To Step Down *[Santiago Radio]* 25
Army Privatizes Part of National Explosives Enterprise *[Madrid EFE]* 25
Police Investigate Money-Laundering Scheme *[Santiago Radio]* 25
* Pellet Plant Official Defends Environmental Record *[EL MERCURIO 3 Apr]* 26
* Deputies Amend Native Forests Bill *[EL MERCURIO 3 Apr]* 26
* Committee Forms Against Puyehue Dam Project *[EL MERCURIO 1 Apr]* 27

Colombia

DAS Reports Losing Trail of Pablo Escobar *[Santa Fe de Bogota TV]* 29
* Possibility of Cali Traffickers' Surrender Viewed *[SEMANA 11 May]* 29

Ecuador

Strike Continues; Government Suspends Classes *[Quito Radio]* 31

Strikers Occupy Tribunal Building *[AFP]* 31
Social Christian Party Deputy Comments *[Quito Radio]* 31
Ambassador: OAS Sending Delegation to Guatemala *[Quito Radio]* 32
Demonstration Turns Into Riot in Quayaquil *[Quito Radio]* 32
* Privatization of Army Industries Discussed 32
* DINE Director Objects *[EL UNIVERSO 13 Apr]* 32
* Retired Officers Comment *[EL UNIVERSO 11 Apr]* 33
* Industries Examined *[EL UNIVERSO 13 Apr]* 34

Paraguay

Government Condemns Self-Coup in Guatemala *[ABC COLOR 27 May]* 37
Names of Wasmosy Cabinet Members Disclosed *[NOTICIAS 27 May]* 37
Former Finance Minister Debernardi Declines Cabinet Offer *[ULTIMA HORA 27 May]* 38
Japan To Grant Financial Aid to Paraguay *[NOTICIAS 27 May]* 38
Joint Declaration Issued With Uruguay *[PATRIA 26 May]* 39

Peru

Fujimori Identifies 11 Pardoned Army Officers *[Lima TV]* 41
Yoshiyama on Military Authority in Cantuta Case *[Lima TV]* 42
CCD Committee Passes Several Reforms to Electoral System *[EL PERUANO 13 May]* 43

Venezuela

AD States Position on Appointment of New President *[Caracas Radio]* 43
Acting President Lepage Speaks on Government Priorities *[Caracas Radio, TV]* 43
Chamber of Deputies Strips Figueredo of Immunity *[NOTIMEX]* 44
Figueredo Claims Innocence *[Caracas TV]* 45
Government Issues Decree Ordering Teachers Back to Work *[Caracas TV]* 45
* Social Security Restructuring, Debt Viewed *[ZETA 11 Mar]* 45
* Chavez Frias on MBR Origins, Goals *[EL DIARIO DE CARACAS 13 Apr]* 46
* Caracas City Council Approves Municipal Budget *[EL UNIVERSAL 1 Apr]* 51
* Party Positions on Electoral Reform Reviewed *[EL NACIONAL 5 Apr]* 53
* Hausmann on Investment, Military Spending *[EL UNIVERSAL 3 Apr]* 55
* Commentary Views Corruption Issue *[EL DIARIO DE CARACAS 6 Apr]* 56
* Poll: Majority Favors Uninominal System *[EL DIARIO DE CARACAS 5 Apr]* 57

Japanese Nuclear Fuel Shipment Through Caribbean Criticized

FL2605142393 Bridgetown CANA in English 1258 GMT 26 May 93

[Text] St. John's, Antigua, May 26, CANA—President of Antigua and Barbuda's Environmental Awareness Group [EAG], Abudu Jaima, says Japan has "little regard" for Caribbean countries. He was commenting on a report from Greenpeace, the environmental monitoring group, that the Pacific Pintail, a ship flying a British flag, was carrying a Japanese cargo of highly radioactive, irradiated nuclear fuel (inf) through the Caribbean.

He said Caribbean community governments and the Caribbean Conservation Association (CCA) had registered their disapproval with such shipments through the region last year, after Greenpeace had warned of the threat of an accident with a plutonium shipment.

"They (Japan) are not taking us serious. They have little regard for us as a group of nations and independently as nations," he charged.

Jaima said the EAG was "absolutely against any transshipment of plutonium through the Caribbean." He complained that some regional governments had not spoken out against the present shipment for political reasons.

"I would imagine, as it is a hot potato, people would do better not really to get involved in it, because it has a lot of other political implications to it," he remarked.

Caribbean Banana Producers Oppose GATT Ruling

FL2605235993 Bridgetown CANA in English 1938 GMT 26 May 93

[Text] Castries, St. Lucia, May 26, CANA—The Caribbean banana producers association (CBPA) is meeting next week to discuss a GATT ruling which upheld complaints by Latin American countries that a current European Community banana import regime unfairly limits their exports, a banana industry official here said.

"We will be meeting on Friday next week in Miami for one day and the matter will be discussed," Cyril Mathew, managing director of the Windward Islands Banana Growers Association (Winban), an affiliate of the CBPA, told CANA.

The ruling by a dispute panel of general agreement on tariffs and trade, the regulatory body of global trade, was seen as a test case likely to encourage Latin American countries to protest against a new European Community quota scheme which sets even higher tariffs on Latin American bananas from July 1. The current EC banana regime and its replacement are designed to offer protection to banana exports from countries of the African Caribbean and Pacific (ACP) group.

"We did not expect the panel's conclusions to be so harsh," Mathew said in an immediate response to the GATT panel ruling which is also seen as a blow for ACP banana exporters including the Windward Islands. Caribbean banana producing countries have been lobbying Europe to maintain some form of preferential treatment for their exports. St. Lucia's Prime Minister John Compton, who has been spearheading the Windward Islands lobbying efforts, was unavailable for comment on the latest development. The CBPA groups banana producers in Jamaica, the Windward Islands—Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines—Martinque, and Guadeloupe.

Cuba

Editorial Urges Maximum Punishment for Violent Crime

FL2705191293 Havana Radio Rebelde Network in Spanish 1700 GMT 27 May 93

[Station editorial by Orlando Contreras]

[Text] Everyone is aware of the economic difficulties that we are suffering and we know the causes. Given these problems, which no one hides, the majority of the people want to redouble production efforts, conserve as much as possible, and resist with dignity. But there is a minor and marginal sector in our own society which, from concomitant positions with the counterrevolution, is trying to create insecurity and disorder in society through violent criminal activities.

From the statistical point of view, this kind of criminal action is much lower than the criminal rates observed in Latin America, the Caribbean, and the rich countries of the West. Nevertheless, these social warts cannot have a place in a society of workers and free men. Therefore, it requires the maximum energy to fight and eradicate them, with all the weight of the law and action of the organizations authorized by law to prevent and punish crime. The people in general should also assume, as they are doing, the fight against criminals who act with violence. Assault and robbery, attacks on the elderly, breaking and entering, in any of combination must be fought without reservations.

To deal with the serious transportation problem caused by the blockade and the shortage of historical oil supplies, the government provided for the importation and fabrication of bicycles, which are sold to workers at a low price. Approximately 1 million bicycles are already in the streets of Cuba. But along with this new form of transportation, which of course is massively used in several developed countries, a small but active group of bandits has appeared. To steal a bicycle for money, they do not hesitate to take it violently from the citizen using it. Some workers, men and women, have been seriously injured; others, a small number, have been killed. They are victims of these criminal assaults.

The full weight of the law should be implemented against assault and robbery and, if there are fatalities, the maximum energy should be implemented in the application of the law. Hard working people have the right to defend themselves against these criminals and for this our government has promulgated laws that sanction these crimes.

Official on Impact of Debt, Poverty on Health Conditions

PY2705224293 Madrid EFE in Spanish 1600 GMT 27 May 93

[Excerpts] Brasilia, 27 May (EFE)—Jorge Victor Antelo Perez, Cuba's first vice minister for public health, stated today that the external debt and poverty are the main stumbling blocks for the improvement of health conditions in Latin America.

Antelo Perez, who heads the Cuban delegation to a conference being held by the 21 Ibero-American health ministries over the last three days in Brasilia which ends today, said: "Once we solve these problems, health conditions will improve."

He pointed out that Latin American governments allocate resources to pay off their external debt—which totals $426 billion—and that those resources should be appropriated for health care. [passage omitted]

Antelo Perez said the most worrisome health problem in Cuba is epidemic neuropathy, the etiology of which has not yet been detected, though local health services are conducting research on this disease with the support of the WHO, PAHO [Pan-American Health Organization], and Orbis, an American institute.

This epidemic may be caused by a toxic agent, either a nutritional or a viral one, although Antelo Perez stated that "we still cannot say whether it is caused by one or a combination of the three." He further noted that there have been 26,000 confirmed cases, though no fatal cases have been reported.

The symptoms of this disease are a loss of sensitivity, problems in walking and urinating, and impaired vision.

Antelo Perez ruled out that the epidemic might be transmitted to other Latin American countries and that it was caused by the stress suffered by the Cuban population due to the lack of means. He stressed that "there are worse stresses in other countries, such as Yugoslavia and Somalia, where there is no such epidemic."

Manufactured Gas Service Restored Following Breakdown

FL2805005493 Havana Cuba Vision Network in Spanish 2220 GMT 27 May 93

[Text] The Manufactured Gas Enterprise informs the population that manufactured gas service has at present begun its restoration to the city of Havana. Service was interrupted because of a breakdown in the hydraulic pressure pumps at the Mario Fortuny Plant in Marianao Municipality. The Enterprise's workers labored intensely throughout the night and part of today to repair the damage. In an interview with the director of the Manufactured Gas Enterprise, (Dimas Gonzalez Diaz), it was learned that the gas is going to begin arriving gradually to all the households that use that service.

Haiti

Summary of Caputo Memorandum on Police Force Published

FL2705205593 Port-au-Prince Radio Metropole in French 1600 GMT 27 May 93

[Text] LE NOUVELLISTE of 26 May published the plan the international community prepared for deploying a multinational police force in Haiti. This force would be put in place under a UN authority and would include 500 to 600 members from different countries. Reporter Clarence summarizes this plan, presented as a memorandum:

[Begin Clarence recording] To provide advice and aid for recruiting and forming a new civilian police, distinct from the Haitian Armed Forces; to control the way in which the existing security forces carry out their duties of maintaining order; to dissuade and discourage violence, abuses, or reprisals during the period of political agreements; and to show by a visible international presence the commitment to reestablishing democracy in Haiti are among the goals of the international community in seeking to deploy a police mission in Haiti.

The memorandum, which was recently submitted to the Haitian authorities, states that the members of the international civilian police would wear their national uniforms with UN cap and badges. The police would carry sidearms to be used for self-defense, but they would not be allowed to use constraint to control violence. Initially, the police force was considered to be 500 to 600 members. However, the UN secretary general would set the number according to the need.

A commander would be appointed as head of the police observers and placed under the authority of the UN secretary general. Furthermore, the plan included the deployment in Haiti of an international military presence composed of engineers and trainers. This police presence would be in charge of bringing additional guarantees of the commitment of the international community, of supporting the policy negotiated by the special envoy, of launching the program of professionalization of the Haitian Armed Forces, and of starting the building and repair of installations in the areas of health and training.

These military would not constitute an armed force per se, but would have as its sole objective the professionalization of the Haitian Armed Forces, according to the memorandum. Like the members of the Police Force, the UN military would wear their national uniform with UN cap and badges and would serve under the UN flag. These military, who also would carry a weapon for self-defense only, would be placed under the authority of someone appointed by the UN secretary general.

The international community also anticipated in its plan of action the deployment of the international security force in Haiti within the days preceding the announcement of the political agreements. his plan of the international community, presented as a memorandum, has been rejected by the Haitian authorities.

The Army had expressed its concerns regarding the project which, according to the Haitian military command, has no legal or constitutional basis to establish itself in the country.

The Marc Bazin government, for its part, has not agreed on the principle of the deployment of this multinational armed force in Haiti. Finally, it should be noted that ousted President Jean-Bertrand Aristide, who is residing in Washington, has not approved such a proposal, considered interference in Haiti's internal affairs. [end recording]

Firmin, Emmanuel on Aristide Optimism, Confidence

FL2705160693 Port-au-Prince Signal FM Radio in French 1030 GMT 27 May 93

[Text] Firmin Jean-Louis, president of the Constitutionalist Anticorruption Bloc branch in the Senate stated that President Aristide is more than confident about a final solution to the Haitian crisis in spite of delay tactics. He noted this during his latest conversation with the exiled president on the Haitian situation. Jean-Louis spoke of the president's optimism and of his real willingness to see the political crisis reach an end.

[Begin Jean-Louis recording, in Creole] He is very optimistic. He believes that we have a strict obligation to get out of the situation we are in. He is also aware of the obstacles. He is aware of the fact that some cunning sectors continue to stall for time, however, he believes and is confident that we will end up with the solution sooner or later, which cannot be anything other than the return to constitutional order. [end recording]

For his part, Senator Wesner Emmanuel spoke of the confidence and the serenity openly demonstrated by President Aristide during his most recent conversation with him. We noted that Sen. Emmanuel, who is a member of the [pro-Aristide] presidential commission, is also confident about a possible solution to the crisis. The senator was cheerful during our telephone conversation with him on 26 May.

CISN Seeks Departure of Government, Coupists

FL2705192793 Port-au-Prince Signal FM Radio in French 1030 GMT 27 May 93

[Text] The resignation of the consensus government and the departure of the authors of the September 1990 [year as heard] military coup constitute the only solution to the Haitian crisis, says a communique from the Independent Confederation of National Unions, CISN [Confederation Independente des Syndicats Nationaux], which calls for the continuation of inter-Haitian negotiations under the aegis of the international community.

CISN condemns foreign interference regardless of its form. Nevertheless, it attributes the international outrage to the coup d'etat that ousted Haiti's democratically elected President Jean- Bertrand Aristide. CISN urges the cooperation of de facto authorities in the resolution of the crisis.

Chamber President Welcomes News of National Conference

FL2705162693 Port-au-Prince Radio Metropole in French 1045 GMT 27 May 93

[Text] The office of the Chamber of Deputies, presided over by Deputy Dr. Antoine Joseph of the Movement for the Establishment of Democracy in Haiti, warmly welcomed the news of a national conference. The office, well aware of the threats against the future of the Republic, hails the determination of the consensus and public protection government to work on finding a peaceful, negotiated, and definitive solution to the Haitian crisis.

In this context, the office, presided over by Antoine Joseph, rejects the eventual idea of the deployment of an international police force on Haitian soil and reasserts that any solution to the Haitian crisis will inevitably be discussed by the different protagonists. This office invites all sectors of national life to stop their insistence for active participation in this national conference in order to avoid the slap of foreign intervention in the Republic of Haiti. [sentence as heard]

St. Vincent and the Grenadines

CET Implementation To Follow Passage of Customs Bill

FL2705221793 Bridgetown CANA in English 1842 GMT 27 May 93

[Text] Kingstown, St. Vincent, May 27, CANA—The revised Caribbean Community Common External Tariff (CET) goes into operation in St. Vincent and the Grenadines June 1. The move follows the passage Tuesday in the House of Assembly of the Customs Duties (amendment number two) Bill and its accompanying schedule, presented by Prime Minister James Mitchell in his capacity as finance minister.

The CET is a system of duties against third country imports. Caricom governments agreed last October at their summit in Trinidad and Tobago to implement a phased reduction of the CET to achieve a rate structure of 0-20 percent by January 1, 1998.

Mitchell, reminding of the moves internationally towards trade liberalisation and the elimination of unilateral trading arrangements, said the CET was an attempt by Caribbean governments to show the rest of the world community that this region could speak with one voice. He noted, however, the need to continue providing certain levels of protection to some regional industries. "If we push down all the walls we will have nothing," Mitchell said. He said government was also continuing to ensure that consumers did not face undue hardship because of implementation of the revised measure.

During presentation of the 1993 budget last December, Mitchell said the revised CET would have been implemented last April, but senior trade officials said then that amendments were still being made to the tariff and the Consumption Tax Act, and they did not think implementation was possible before June.

A number of regional manufacturers have complained that lowering of the CET rates would push them out of business and create severe unemployment because of their inability to compete with cheaper goods that would be imported into the region, particularly from North American markets.

Government Issues Communique on Events in Guatemala

PA2605142493 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 26 May 93

[Communique issued by the Mexican Foreign Relations Secretariat in Mexico City on 25 May]

[Text] The Government of Mexico expresses its deep concern over the events that occurred on the morning of 25 May in the sisterly nation of Guatemala. The government is closely following developments in Guatemala.

Mexico reiterates its invariable commitment with the constitutional systems of government and its respect for the democratic forms of political coexistence.

The countries of Central America in the last few years have made progress, with great effort and sacrifice, in the consolidation of peace and democracy and have begun to lay strong foundations for their economic and social development.

The programs of economic integration achieved by them and those that are being currently negotiated with the Group of Three are fundamental for the future of the region and all Latin America. Thus, any event altering the atmosphere to promote the aforesaid processes is particularly unfavorable.

In keeping with the tradition of Mexican foreign policy of respect for the principle of nonintervention and the norms of institutional law, our country, Mexico, considers that it is exclusively up to Guatemalans to resolve its internal problems and find ways for returning to institutional order.

PGR Offers Reward for Cardinal Ocampo's Killers

PA2705154893 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 27 May 93

[Report by Raul Sanchez Carrillo in Jalisco]

[Text] The Attorney General's Office [PGR] is currently offering 15 million new pesos in reward for information leading to the arrest of brothers Benjamin and Ramon Arellano Felix, Joaquin Guzman Loera, also known as "El Chapo Guzman," and his accomplice Hector Palma Salazar, also known as "El Guero Palma," whose gangs were involved in a shoot-out at the Guadalajara Airport on 24 May killing seven persons, including Cardinal Juan Jesus Posada Ocampo.

During a recent news conference, Deputy Attorney General Antonio Garcia Torres and Jalisco State Attorney General Leobardo Larios Guzman pointed out that the same drug trafficking groups were involved in another shoot-out at the "Cristina" discotheque in Puerto Vallarta in November 1992.

All details related to each of the drug traffickers, who are considered the most wanted and dangerous, were disclosed by Deputy Attorney General Garcia Torres.

[Begin Garcia Torres recording] Joaquin Guzman Loera, also known as "El Chapo Guzman," is considered as one of the leading drug traffickers in Mexico. With Hector Luis Palma Salazar, also known as "El Guero Palma," he has been able to form one of the most important criminal groups. The group has its headquarters in Sinaloa State and extends its influence to other northeast states. This group controls everything from the growth to the export of marijuana. "El Chapo Guzman" has been linked to Colombian organizations with which he trafficks cocaine from South America to the northern part of the continent. In addition, this group has been involved in importing large quantities of heroin from Thailand, which is then distributed to countries in Europe and America. [end recording]

In addition, Deputy Garcia Torres disclosed information on drug trafficker Hector Luis Palma.

[Begin recording] Hector Luis Palma Salazar, also known as "El Guero Palma," controls, with Joaquin Guzman Loera, a criminal organization with networks that extend throughout the northeastern part of the country, as well as Central and South America. This group controls everything from the production to the sale of marijuana, cocaine, and heroin. [end recording]

According to the information disclosed by Deputy Attorney General Antonio Garcia Torres, it was established that the drug traffickers who participated in the 24 May shoot-out were hired in Tijuana, Baja California. As result of this, they were not aware of Cardinal Juan Jesus Posada Ocampo's identity when they mistook him for a possible member of the rival drug trafficking group headed by the Arellano Felix brothers. The deputy attorney general also disclosed that the government has announced a 15 million new pesos reward, equivalent to 15 billion old pesos, for anyone who provides information that leads to the arrest of drug traffickers Joaquin Guzman Loera, also known as "El Chapo Guzman," Hector Guzman, also known as "El Guero Palma," and brothers Ramon and Benjamin Arellano Felix. The photographs of these persons will be distributed throughout the country.

In conclusion, it was indicated that the Attorney General's Office will keep the public informed regarding the progress made during the investigations.

Blanco Reports Complementary Agreements Negotiations

PA2605162293 Mexico City XHTV Television Network in Spanish 0200 GMT 25 May 93

[Report by Ana Cristina Pelaez]

[Text] Herminio Blanco, head of the Mexican negotiating team on the North American Free Trade Agreement, NAFTA, has denied that the complementary

agreements are a means of cosmeticizing the negotiations, especially in regard to labor issues. Upon returning from the third round of negotiations on NAFTA complementary agreements in Ottawa, Canada, Blanco reported to senators and deputies in nine different legislative commissions. He said that the basic texts of the NAFTA complementary agreements on environment and labor issues had already been reached. Blanco reported that Mexico, Canada, and the United States will establish commissions to check the compliance of the agreements and to resolve environment and labor conflicts. He noted that there are only two matters in which differences exist:

[Begin recording] [Blanco] The first one is in the structure of the commission and the second is on consultations and conflict solutions. Those are the two issues that are being discussed.

[Unidentified reporter] Only....

[Blanco, interrupting] Thank you. Those are the only issues pending. We have agreed on everything else. [end recording]

Herminio Blanco explained to the Institutional Revolutionary Party, National Action Party, and Party of the Democratic Revolution Legislators that Mexico and Canada have very similar positions and this allowed him to assure that the negotiations will be completed in the coming weeks.

[Begin Blanco recording] NAFTA and the complementary agreements can, thus, go into effect on 1 January 1994. [end recording]

He also told legislators that the Mexican Government is not negotiating superficial agreements.

[Begin Blanco recording] As the president of the Republic ordered, those negotiations are carried out with total respect to our labor and environmental laws and according to three basic principles: to defend our national sovereignty; not to reopen NAFTA; and to keep the complementary agreements from becoming protectionist measures. [end recording]

Blanco reported that, similar to the NAFTA negotiations, the cost of lobbying or of negotiating the complementary agreements amounted to 42 million pesos. The official explained that technical, grammatical, and typographical errors had been corrected and tariff percentages had been revised, but not on the original NAFTA text.

Guatemala

Serrano Appoints New Supreme Court President

PA2705154593 Panama City ACAN in Spanish 1505 GMT 27 May 93

[Text] Guatemala City, 27 May, (ACAN-EFE)—Official sources reported that Guatemalan President Jorge Serrano appointed current Education Minister Maria Luisa Beltranena as the new president of the Supreme Court of Justice and the judicial branch on 27 May.

The Presidency Public Relations Secretariat told ACAN-EFE that Beltranena was selected because she is a lawyer. Education Minister Beltranena was previously dean of the law school and rector of Rafael Landivar University, a private institution.

Deputy Education Minister Pilar de Lopez will fill the post of education minister.

Beltranena's appointment is based on the "government's temporary measures," which President Jorge Serrano used to dissolve the Congress, the Constitutional Court, and the Supreme Court of Justice on 25 May.

The government's measures have been declared "null" by the dissolved Constitutional Court and Human Rights Ombudsman Ramiro de Leon Carpio, who announced his resignation until Serrano reinstates institutional order.

According to the Presidency, the following magistrates will be members of the Supreme Court of Justice:

President - Maria Luisa Beltranena
First member - Jose Maria Moscoso Duarte
Second member - Roberto Eduardo Rivera
Third member - Servio Tulio Aquino
Fourth member - Rodrigo Herrera Mora
Fifth member - Marco Antonio Leal Castellanos
Sixth member - Jose Alfredo Barrios
Seventh member - Aura Astrid Morales
Eighth member - Bernardo Alfredo Lopez.

Supreme Court President's Home Searched

PA2705135493 Madrid EFE in Spanish 0515 GMT 27 May 93

[Text] Guatemala City, 27 May (EFE)—On 26 May, several dozen police surrounded and broke into the home of Juan Jose Rodil Peralta, president of the Guatemalan Supreme Court of Justice [CSJ], associates of the magistrate have told EFE.

The sources added that special police and "sharpshooters," who removed unspecified articles, participated in the break-in, which was followed by a search.

The police operation took place a few hours after the CSJ issued a communique rejecting its dissolution, which was decreed by President Jorge Serrano when he staged a self-inflicted coup.

Asked by EFE, government sources said firearms of several types had been found during the search. Sources close to Rodil Peralta, however, said the weapons had been used by his bodyguards.

The sources added that the 16 persons making up the security service were detained on 25 May and have been mistreated.

The nine magistrates and its president have declared that the CSJ is still active clandestinely. They have asked Serrano to return constitutionality to the country.

Rodil Peralta, who was later visited by a delegation of EC ambassadors, left his home to ensure his safety. His whereabouts are unknown.

In addition to the CSJ, Serrano dissolved the Constitutional Court and the Congress, and assumed virtually all of the state powers on 25 May.

Unlike the Constitutional Court on 25 May, the CSJ refused to obey Serrano's decision, declared his decrees null and void, and issued a communique urging him to restore constitutional order.

Serrano ignored this plea, as he ignored numerous international and local statements censuring his de facto government and the strict media censorship.

Serrano, meanwhile, on 26 May made good his pledge of delivering Congressional budget money to public hospitals. In a ceremony broadcast on television, Serrano handed over to the directors of two of the hospitals the first two checks from the Congressional funds.

Congress Asks Army To Overthrow President Serrano

PA2705185293 Mexico City NOTIMEX in Spanish 1827 GMT 27 May 93

[Text] Guatemala City, 27 May (NOTIMEX)—The Guatemalan Congress on 27 May initiated an investigation on President Jorge Serrano on alleged corruption charges and has asked the Army to overthrow the president and the vice president.

In a communique drafted during a special session, the legislators urged the Armed Forces to restore institutionality and democracy in this Central American country.

Ambassador to U.S. Resigns in Protest

PA2705192293 Paris AFP in Spanish 1702 GMT 27 May 93

[Text] Washington, 27 May (AFP)—Edmond Mullet, Guatemala's ambassador to Washington, announced on 27 May in Washington that he has resigned and is now the representative in the United States of "all Guatemala's democratic forces."

During an interview with reporters at the Capitol, Mullet denied that he intends to entrench himself in the embassy. On the contrary, he will leave when he receives the order to do so.

"I am protesting an illegal action in Guatemala, and I am not about to do anything illegal here," Mullet said after disclosing that he resigned over the telephone during a conversation with President Jorge Serrano Elias immediately after he had heard about the self-inflicted coup decreed by Serrano on 25 May.

Mullet described Serrano's decreed suspension of the Constitution, legislature, and the main courts as "a typical and traditional military coup headed by a civilian puppet."

"If the Army had approached Serrano, let us say on 26 May, to tell him they would not support his measure, it would have deserved a gold medal," Mullet said.

"If it does it on 27 May it would deserve a silver medal; on 28 May a bronze medal; and next week a plastic medal," he added before stressing that the Guatemalan Army will earn widespread disapproval if it continues to support Serrano.

Mullet noted that he is in contact with personnel who deal with Guatemala at the State Department and who consult with him "to analyze the situation," but declined to provide further details.

Guatemala's case "is a dilemma for the United States because to force Serrano's withdrawal would be the equivalent of (dealing with) an open military coup," Mullet said.

Police Disperse Demonstration Against Coup

PA2705182893 Mexico City NOTIMEX in Spanish 1728 GMT 27 May 93

[Text] Guatemala City, 27 May (NOTIMEX)—A reporter was seriously injured on the morning of 27 May when riot police tried to disperse a protest demonstration against President Jorge Serrano's self-inflicted coup.

Members of the National Police used tear gas to disperse a protest demonstration in Italia Square in downtown Guatemala City. This was the first demonstration since the self-inflicted coup.

At least 3,000 persons joined the demonstration, the first since President Serrano dissolved the Congress and Supreme Court of Justice and partially suspended constitutional guarantees on 25 May.

Shouting the slogan: "Murderous government we want peace," the demonstrators, mostly government employees, called for disobedience.

The riot police used tear gas to disperse a group that was surrounding an armored personnel carrier.

An unidentified PRENSA LIBRE reporter was the first victim of the unrest when a tear gas canister exploded near where he was reporting on the incident.

The protests occurred at the same time that President Serrano was swearing in the new president of the Supreme Court of Justice, Maria Luis Beltranena, former education minister and member of the ruling Solidarity Action Movement.

Demonstrations Continue

PA2705190893 Mexico City NOTIMEX in Spanish 1811 GMT 27 May 93

[Text] Guatemala City, 27 May (NOTIMEX)—Hundreds of Guatemalans continued to gather at noon [1800 GMT] on 27 May in downtown Guatemala City after soldiers and police attempted to disperse a demonstration against the government.

A reporter was injured when security forces fired tear gas canisters at approximately 3,000 demonstrators protesting the measures implemented by President Jorge Serrano on 25 May.

Despite attempts by the security forces to dissolve the demonstration, the protesters regrouped in Italia Square in downtown Guatemala City.

This is the first public demonstration since President Serrano dissolved the Congress and the Supreme Court of Justice and partially and temporarily suspended the constitutional guarantees.

Alberto Galeano, Guatemala City PRENSA LIBRE photographer, became the first victim of the measures imposed on 25 May when a tear gas canister exploded at his feet.

Soldiers and police have surrounded the Supreme Court building with the help of several armored personnel carriers.

Jorge Mario Ortiz and Azucena Vargas, leaders of the judicial workers union, have been arrested by the National Police.

President Jorge Serrano Elias had planned to swear in former Education Minister Maria Luisa Beltranena as magistrate of the Supreme Court to replace Jose Rodil Peralta. However, it has not been possible for the president to reach the Supreme Court due to the demonstration at which the magistrates [as heard] shouted slogans like: "We do not want them," "Murderous Army," and "Death to Serrano."

Menchu Attends Protest Mass, Addresses Rally

PA2805000393 Panama City ACAN in Spanish 2237 GMT 27 May 93

[Text] Guatemala City, 27 May (ACAN-EFE)—Thousands of people, headed by Rigoberta Menchu, challenged the exceptional measures in Guatemala and

participated in a mass that was held a few meters from the government palace, to protest President Jorge Serrano's self-inflicted coup. After the religious event, Nobel peace laureate Menchu spoke briefly to the large crowd that gathered at the entrance of the cathedral, and, between applause and shouts against Serrano, said: "This is our reply." The event, which was organized by grass-roots associations, unions, guilds, and university groups, was the second protest against the de facto regime imposed by Serrano on 25 May.

A few hours before the mass, approximately 1,000 people—mostly employees of the dissolved Supreme Court—held a demonstration, which was attacked by Army soldiers who arrested two people. People who demonstrated against Serrano gathered to one side of Guatemala City's main plaza, where the Cathedral and the presidential palace are located. The police and the Army kept a discreet watch over the group and did not attack them on this occasion.

Many leftists shouted political slogans such as "Get out Serrano" and "Quit" so loudly that the president could have heard them from the palace. The shouts against the president were heard at the doors of the presidency as Menchu, San Carlos University Director Alfonso Fuentes, and Helen Mack, the sister of an anthropologist who was murdered, entered the palace to deliver a document to protest against the rupture of the democratic regime. The document, signed by 62 grass-roots organizations, Menchu, and other personalities, condemned the self-inflicted coup and called on Serrano to return the country to institutional normalcy.

During the mass, the Guatemalan Cathedral was filled with people and posters demanding that the president return the country to a state of rights and to respect the life of the union and opposition members. During the religious ceremony, Menchu prayed to God for the prevalence of human rights and social justice. Meanwhile at the time of the mass offerings, a religious sister presented a copy of the Guatemalan Constitution as a symbol of its violation. Edwin Garcia, the priest who said the mass—a Catholic Church spokesman—also prayed for the prevalence of peace and justice in the nation just before dozens of persons, among them Rigoberta Menchu, received holy communion.

Once outside the Cathedral, the Nobel Peace Prize winner said: "We cannot remain silent nor can we be part of that silence because that is impunity and we are going to fight permanently against impunity."

The Indian leader had to ask the crowd of people who were accompanying her to disperse to prevent being detained by the police at the palace given the prohibition of public demonstrations and meetings in force since 25 May.

The protest at the Cathedral and the demonstration at the Supreme Court are the first responses by the people to Serrano's de facto regime. Until now, Guatemalans on the street had observed events with indifference.

Following the mass, several leaders of nongovernment organizations who were interviewed by ACAN-EFE expressed their fear that a wave of repression would be unleashed in Guatemala. Some reported they are being threatened and that pressure is being exerted to prevent them from carrying out of their work. One form of pressure is the cutting off of telephone lines at their organizations.

A supporter of Rigoberta Menchu publicly read a list of four union members who were arrested illegally. This she charged, is "equivalent to a kidnapping." Several ambassadors and personalities from Guatemalan cultural and intellectual circles participated in the event at the Cathedral.

The demonstrations against Serrano took place a few hours after the Congress—dissolved by the president—met in hiding to approve a resolution in which they ask the Army to remove the president. The resolution goes on to state that the self-inflicted coup took place when a trial was being prepared against him [Serrano] for corruption.

Rebels Withdraw From Negotiations in Protest

PA2705133793 Mexico City NOTIMEX in Spanish 1149 GMT 27 May 93

[Text] Mexico City, 27 May (NOTIMEX)—Guatemala's guerrillas on 26 May condemned the "unconstitutional" measures decreed on 25 May by President Jorge Serrano Elias and announced that they will return to the negotiating table when legal order has been restored.

In a communique released in Mexico City, the Guatemalan National Revolutionary Unity (URNG) pointed out that Serrano Elias' "coup" signals "the return to a long and dark era of suffering and sacrifice for the people of Guatemala, who are ruled by the military."

The URNG said Guatemala and the international community were surprised by the Army's and Serrano Elias' "forceful, burdensome, and arbitrary decision" to disrupt constitutional order.

The text of the communique pointed out that "the creation of a military dictatorship erases the few freedoms that existed, eliminates opportunities for democratic participation, and disrupts and breaks the negotiating process," keeping out the peace and democracy the Guatemalans yearn for.

The dissolution of Congress and the Supreme Court and the suspension of individual rights decreed on 25 May by Serrano Elias was criticized by peace process mediator Bishop Rodolfo Quezada Toruno.

In an early reaction to Serrano Elias' measures, Manuel Conde Orellano, Peace Commission president, resigned without offering any explanation.

According to the text signed by the URNG General Command, "behind the disruption of constitutional order are counterinsurgency plans aimed at destroying

the popular sector's struggles," which violates the Oslo, Mexico, and Queretaro agreements for the solution of the armed conflict.

The document complains that the government's measures are intended to "interrupt indefinitely" the negotiating process and annul the efforts made by the mediator, United Nations, and the group of countries that support the peace process.

The URNG warned that the disruption of order is harmful to the international community because it removes Guatemala "from the framework of democracy and creates a situation of violence and instability on the Central American isthmus."

The guerrillas expressed their resolve to resume the peace negotiations when "constitutional legality and normalcy" have been restored, and reiterated their willingness to resolve "the internal armed conflict through political means."

Government Denounces Withdrawal

PA2705225393 Panama City ACAN in Spanish 2009 GMT 27 May 93

[Excerpt] Guatemala City, 27 May (ACAN-EFE)—The Guatemalan Government on 27 May deplored the decision by the Guatemalan National Revolutionary Unity [URNG] to withdraw from the negotiations due to the self-inflicted coup staged by President Jorge Serrano. Arturo Alvarado, secretary of the Presidency's Public Relations Office, said the peace negotiations between the government and the guerrillas are not adversely affected by the imposition of the exceptional measures because the meetings are held abroad.

The URNG announced its withdrawal from the negotiations in Mexico after condemning the institutional coup staged by Guatemalan President Jorge Serrano on 25 May because it believes the action endangers the peace process and precludes any possibility for negotiation.

According to Alvarado, however, the URNG must not withdraw because the government "is deeply interested in returning to a constitutional regimen."

The Guatemalan president dissolved congress, the Supreme Court, and the Constitutional Court and suspended 40 articles of the Constitution on 25 May. [passage omitted]

Defense Minister Defends Serrano's Self-Coup

PA2705224193 Paris AFP in Spanish 2051 GMT 27 May 93

[Text] Guatemala City, 27 May (AFP)—Guatemalan Defense Minister Jose Domingo Garcia appeared before the media on 27 May, following President Jorge Serrano's self-inflicted coup on 25 May. He justified the break in constitutional order, arguing that a "political plot" was being concocted against the president. Garcia reiterated the support of the Armed Forces for the Guatemalan president's decision to suspend the Congress, Supreme Court, and Constitutionality Court, in addition to restricting individual rights. "We were headed toward chaos, as a result of a political plot concocted against the President Serrano," the general stated in brief statements to international newsmen.

Garcia, whose absence since 25 May had been the object of speculation in this country where the military has masterminded coups d'etat, attributed the alleged coup to "factions and political persuasions" that did not allow President Serrano to govern. He added that military intelligence is investigating the alleged operations of narcotraffickers who were behind the "blackmail" against democracy and authorities, which gave rise to the president's decision to suspend legislative and judicial powers.

Regarding the extent of international pressure urging Serrano to reestablish constitutional order, Gen. Garcia is of the opinion that the restrictions will gradually diminish while the Guatemalan Government normalizes the administration of the state. "Our task as Guatemalans is to consolidate a clear concept of democracy, which will rescue the lost values of civic-mindedness and patriotism," the officer added.

The Army went out on the streets on 27 May and set up checkpoints on the main access routes to the city, in what local observers regard as measures to forestall possible incidents in the city. A vast demonstration called by the Labor and Popular Action Union [UASP] is expected to be held on the afternoon of 27 May. The UASP is the largest labor union calling for a return of constitutional order. The demonstration is scheduled to be held at the metropolitan cathedral.

PRENSA LIBRE Circulates Despite Censorship

PA2705161093 Mexico City NOTIMEX in Spanish 1515 GMT 27 May 93

[Text] Guatemala City, 27 May (NOTIMEX)—The newspaper PRENSA LIBRE circulated in Guatemala City on 27 May, but it handled its stories with considerable caution. It is the only newspaper that published despite the censorship imposed by President Jorge Serrano Elias' administration.

The newspaper's main headline read: "Constituent Cannot Be Elected Within 60 Days." Other front page headlines read: "Curfew Removed" and "Conde Alludes to the Press Issue."

PRENSA LIBRE, whose facilities on 26 May were surrounded by policemen who prevented the newspaper from circulating, published no editorial on 27 May.

Sources from opposition newspaper SIGLO VEINTUNO reported that their printing shops are still surrounded by policemen who are blocking access to the facility. EL GRAFICO decided not to publish a 27 May edition.

Radio and television stations are still in a network imposed by the government, which only broadcasts official information and lengthy periods of instrumental music.

On 27 May the authorities interrupted the facsimile [correo electronico] communications system used by international agencies to transmit their messages, alleging that there are "technical problems."

The authorities also suspended telephone connections to Mexico, El Salvador, Nicaragua, Panama, and Costa Rica, where the leading international news agencies have their regional headquarters.

President Serrano Elias on 25 May decreed a series of emergency measures that he described as a so-called "constitutional coup." He suspended the courts, congress, and several constitutional guarantees.

Journalists Reportedly Ordered Arrested

PA2705190693 Mexico City NOTIMEX in Spanish 1637 GMT 27 May 93

[Excerpts] San Jose, 27 May (NOTIMEX) —The Guatemalan Human Rights Commission [CDH] has reported in San Jose that the situation of the Guatemalan press worsened on 27 May when arrest warrants were released against 11 journalists. In addition, columnist Carlos Rafael Soto received death threats.

The CDH said that Teleonce Television broadcasts were suspended because Carlos Miurra, the station's owner, disobeyed "government orders" not to air.

Meanwhile, radio and television stations remain linked to the national network that the government imposed and broadcast only official and long international music segments. [passage omitted]

Newspapers, with the exception of PRENSA LIBRE, did not circulate today. Security forces keep a tight ring around EL GRAFICO, PRENSA LIBRE, SIGLO VEINTIUNO, and LA HORA offices, CDH reported. [passage omitted]

It has also been reported that arrest warrants have been issued against 21 popular leaders, but their names and those of the threatened journalists were not reported.

The CDH "fears an increase in government repression against popular movement organizations" although the Constitutional Court has declared illegal any restrictions of the Constitution.

The CDH has asked the international community to address messages to President Serrano asking him to restore constitutional order immediately.

The CDH also asked the international community to organize delegations, which should visit the country as soon as possible, to express solidarity with the Guatemalan people, "who urgently require the presence of these delegations to preclude any further human rights violations."

On 25 May, Serrano staged a "self-inflicted coup" by "partially and temporarily" suspending the Constitution, dissolving the Congress and the Supreme Court of Justice, and removing the attorney general.

Costa Rican Daily Publishes Censored Editorials

PA2705210593 Paris AFP in Spanish 1725 GMT 27 May 93

[Text] San Jose, 27 May (AFP)—Two Guatemalan newspapers have condemned Guatemalan President Jorge Serrano's self-inflicted coup and noted that the fracture of the constitutional order frustrated an investigation of the president for alleged illegal enrichment.

PRENSA LIBRE and SIGLO VEINTIUNO editorials were published in the 26 May edition of Costa Rican morning newspaper LA NACION, since they could not be published in Guatemala due to the censorship on the media imposed by President Serrano on the night of 25 May.

"The coup was a tragic mistake that was not foreseen. It was reportedly caused, among other things, by the initiation of a movement aimed at investigating the president's fortune," PRENSA LIBRE noted.

Approximately 180,000 copies of PRENSA LIBRE could not be published 26 May after dozens of National Policemen carrying machine guns were posted in the newspaper's installations to prevent its circulation.

"The president committed the biggest mistake in his short political life, and he will see that none of the promises he has made will become a reality. Those promises are like butterflies whose wings were burned in the fire of a totally unnecessary coup d'etat," PRENSA LIBRE stressed.

The editorial also mentioned that "as speculated, it could also be a preventive coup to concentrate power in the president's hands to avert coup attempts against him."

Firmly rejecting Serrano's actions, SIGLO VEINTIUNO said that the president "lost sight" of Guatemalan reality, because "he is not Fujimori, and Guatemala is not Peru."

"His fear for an outcome similar to the situation faced by [Venezuelan President] Carlos Andres Perez was Serrano's excuse to adopt preventive measures, using Peruvian President Alberto Fujimori's model as a guide to define the country's political scene," EL SIGLO VEINTIUNO, which has a circulation of more than 60,000 copies, said in its editorial.

Both newspapers agreed in stating that the self-inflicted coup had no justification whatsoever and demanded the implementation of constitutional mechanisms to resolve the prevailing problems in Guatemala.

"With the fracture of constitutional order, the country is bogged down again by arbitrariness, causing internal consternation and international shock. Guatemala is in mourning. The democratization process is beginning to die," PRENSA LIBRE warned.

SIGLO VEINTIUNO will possibly circulate again on 31 May, while PRENSA LIBRE agreed to resume its publications on 28 May under the conditions imposed by Serrano's government.

Some Papers, TV Stations To Resume Under Censorship

PA2805040993 Panama City ACAN in Spanish 0207 GMT 28 May 98

[Text] Guatemala City, 27 May (ACAN-EFE)—The break of constitutional order in Guatemala staged by President Jorge Serrano does not respond to the people's wishes for peace and only means a return to the past, labor union leaders have announced.

Sergio Guzman, a leader of the Guatemalan Workers's Trade Union (Unsitragua), told ACAN-EFE that the workers reject the self-inflicted coup because it does not benefit the country. He added that as a result of the suspension of constitutional guarantees, there are certain groups—which he did not identify—that are creating an atmosphere of unrest and instability in the country, intimidating and threatening the people's leaders.

Meanwhile, it was reported on 27 May that as of 28 May, the daily EL GRAFICO will begin to circulate, thus joining PRENSA LIBRE, that never quit printing after the self-inflicted coup, as well as television Channels 7 and 3, that are under the supervision of the censors. The daily SIGLO VEINTIUNO will return to the stands as of 31 May, whereas the afternoon LA HORA has not announced yet when it will resume printing. The media have been censored since 25 May, the day of Serrano's self-inflicted coup. Television Channels 11 and 13 remain closed.

In the meantime, the publishers of the magazine CRONICA on 27 May evaded the police surveillance imposed on the local press, and managed to get thousands of copies of their magazine out of the print shop and take them to another location. It is not known if they will distribute the magazines. Taking advantage of the scarce police surveillance, and in the presence of several foreign and local reporters, the magazine's publishers placed the magazines in several vehicles. The police only managed to take down the license plate numbers. Edition no. 277 of the weekly publication carries the following banner headline: "The Self-Inflicted Coup," and in the inside pages it criticizes President Jorge Serrano's decision to dissolve Congress, the Supreme Court, and the Constitutionality Court.

According to the magazine, Serrano "pulverized democracy" with the aim of correcting—first of all—the intolerable situation in which the state had fallen, but most of all of making true a dream he had harbored for a long time: Holding all three branches of the Republic. "History will condemn him," the weekly said in an editorial, adding that even though the president uses the excuses of growing narcotics trafficking, the constant blackmail by the Congress, and corruption in the court, nothing can justify the partial abolition of the Constitution.

The transformation of this regime from constitutional democracy to dictatorship is not yet a fait accompli. It "is a personal dictatorship," and "our only hope is that the president and the few supporters he has do not go beyond the rules he has established," warns the magazine in edition no. 277 which has been able to appear in the newsstands.

Public Organizations Fear Rights Violations

PA2705141093 Madrid EFE in Spanish 0625 GMT 27 May 93

[Text] Guatemala City, 27 May (EFE)—Guatemala's public organizations fear that with the suppression of constitutional guarantees that followed the self-inflicted coup of President Jorge Serrano, there will be an increase in repression and human rights violations in the country.

Several popular leaders have told EFE that the political situation is "worrisome" and that as a result of the suspension of constitutional guarantees the country has regressed a decade to the days in which labor unions were repressed by the state.

Rigoberta Menchu, a Guatemalan activist and Nobel Peace Prize winner, has said that the coup means that "repression has become legal." She noted that the advancements that the public movement had won has been lost.

Aura Farfan, leader of the Relatives of Guatemalan Detainees and Missing Persons, has stated: "It is regrettable that guarantees have been suspended. Now we, especially the organizations that demand justice and defend human rights, do not have protection."

"In addition to the passing of moral judgment, we want justice, because no one can replace our sons," said the leader of the organization that demands explanations regarding the fate of 45,000 people missing for political reasons.

A leader of the National Council of Displaced Persons of Guatemala [CONDEG], who asked not to be identified to avoid reprisals, has told EFE that the president's measures violate the law and are aimed at "maintaining impunity, corruption, and the violation of human rights." "We believe," he said "that they (the government and the military) want to return to 1980 and 1983

when repression was more intense." We also believe, he noted, that with the suspension of the Constitution "Serrano wants to close the people's eyes so that they do not see how he is ruling."

The leader of CONDEG, an organization made up of 1.5 million people who had to move from their towns because of the war, said that the human rights situation has always been "delicate" and that now that institutional order has been broken there will be more repression, especially against labor union people, reporters, and popular leaders.

Meanwhile, Nasaria Tum, from the Communities of Resistant People, made up of 24,000 Indians who have also been displaced by the civil war, has said that in Guatemala there is no respect for human rights and that the coup will result in an increase of repression of the popular movement. She said: "If we were in a true democracy, as the government claims, there would be freedom of expression. These measures will worsen the situation because no law can protect us."

At the beginning of 1993, the government carried out a broad diplomatic campaign at the international level so that the UN Human Rights Commission would acknowledge the government's efforts in the field of human rights and would not condemn Guatemala or impose a more intense watch on Guatemala in this regard.

Although the United Nations last year acknowledged that there had been some progress in the respect for individual guarantees in Guatemala, it urged the president to make more efforts to stop impunity and violence.

On 25 May, Serrano argued that the need to face those problems have forced him to suspend several constitutional guarantees and to dissolve the judicial and legislative branches. Until now, Serrano's government has been characterized by securing only small improvement in the respect for human rights.

During the first quarter of 1993, Ombudsman Ramiro de Leon Carpio, who has had more than one clash with President Serrano in the media, received 1,352 human rights violation complaints. According to De Leon, who on 25 May escaped from his residence when the police tried to arrest him, the Guatemalan situation now is "worse than or equal to" the situation in the past.

In 1992, according to the ombudsman, there were 387 murders, 99 people disappeared, 175 persons received death threats, 83 others were illegally arrested, 148 people suffered from abuse of authority, and another 59 suffered other forms of aggression.

According to the ombudsman, one of the main causes of human right violations in Guatemala, is the 32-year-old armed conflict between the government and the guerrillas, a conflict that the two sides have not been able to overcome in two years of negotiations.

Serrano Presents Funds to Hospitals

PA2705015693

[Editorial Report] Guatemala City Radio Networks in Spanish at 2334 GMT on 26 May broadcasts a live relay in progress of a ceremony at the National Palace in Guatemala City in which President Jorge Serrano presents funds to hospitals in Guatemala.

President Serrano says: "As promised on 25 May, we will turn over the funds that we will not spend on Congress during the period from now until the new Legislative Assembly is appointed, directly to the country's hospitals which, as you may know, have experienced a crisis for many years. Today we deliver the first two allotments to the Roosevelt and San Juan de Dios Hospitals, which are the largest in Guatemala City. These two hospitals are receiving the sum of 750,000 [currency not given] each. Other hospitals in the Republic will receive similar or smaller amounts."

At 2335 GMT, unidentified doctors from the two hospitals thank President Serrano and assure him they will make good use of the funds.

At 2336 GMT, Eusebio del Sid Peralta, the public health and social welfare minister, speaks, noting this is a new program. He adds that arrangements are being made to establish 24-hour outpatient care for nonemergency cases.

At 2337 GMT, Serrano urges the doctors to make good use of the funds. The doctors then thank Serrano again.

The relay ends at 2338 GMT.

* Justice Department Requests Budget Supplement

93CA0109A Guatemala City SIGLO VEINTIUNO in Spanish 25 Feb 93 p 4

[Text] The Justice Department yesterday revealed that it needs a minimum of 300 million quetzals in its budget to face the challenge of reforming the justice system and modernizing its structure and infrastructure. Its officials are therefore asking for a supplemental appropriation of 104 million quetzals to cover the expected deficit in 1993.

In his presentation of the annual report to Congress, during an exhausting day of hearings that began at 1100 and did not finish until nearly 1600, the president of the Justice Department, Juan Jose Rodil, told deputies of the "frightening and disastrous" situation that exists in the judicial system, which lacks buildings, equipment, human and technical resources, and the essential elements for the necessary transformation.

He reported that of the 100 million quetzals that was added to the department's budget in 1992, only 20 million was invested in improving the salaries of appeals court justices, investigative judges, justices of the peace, and court staff. Some 30 million quetzals of the supplement remains unspent, and 50 million has not yet been

disbursed by the Finance Ministry. In total, he said, 80 million quetzals of the supplement has not yet been used.

For this year, the judiciary has 95 million quetzals of constitutional appropriations and the 80 million left over from the 1992 supplement, which would yield a budget of 175 million, plus the department's own funds of no more than 20 million. Because of the activities scheduled for 1993, the Justice Department will have a deficit of 104 million quetzals, which will have to be covered by a budgetary supplement if the judicial reform program is to be carried out.

Rodil Peralta stated that he will justify the need for the 104 million in documentation that he will send to the deputies in the next few days, in which he will officially request the supplement. "The will is there, but we need to provide the means. We are not the 12 apostles who can perform miracles, or magicians who can wave a magic wand, or circus performers who can create illusions," said Rodil in stressing the need for a greater budget.

"Disastrous and Frightening" Situation

During the hearings, Rodil Peralta and the directors of the different units described the current judicial situation, in particular the calamitous state of the morgues and the coroner's offices, where as many as three bodies must be stored in a single refrigeration chamber in the few areas that have them. In addition, they described the disastrous condition of the department's buildings, where there is a lack of maintenance. They also indicated all the things that must be done to make the system efficient.

The officials went on to describe the efforts that have been made in the past year, and revealed their future projects, including the construction of the Justice Plaza and of the center for judicial studies, which will be financed by a group of five private banks through a trust. This will mean the privatization of these projects, he noted.

Impunity and Corruption Persist

Rodil Peralta emphasized that the efforts have borne some fruit, but the judicial system is still plagued by corruption, impunity, and inefficiency. These problems are being tackled by Court Supervision, a unit that is now receiving strong support from authorities in this branch of government.

He called upon Congress to provide the necessary support so that the Justice Department will have the legal and financial tools to eradicate impunity, corruption, and inefficiency, and to ensure that justice is carried out in a swift and reliable manner throughout the country.

This past year, the department has held 11 judges after preliminary hearings, one judge has been sentenced to 11 years in prison, five extraditions have been authorized in drug trafficking cases, one person in the security forces has been sentenced to 30 years in prison, a similar sentence has been given to a police commander, and other law enforcement officials have been prosecuted for various crimes.

Rodil announced that more law enforcement actions will come to light in the next few days, noting that court rulings have been issued that would not have been possible before. In 1993, he expects to establish 200 justice courts, five labor courts, two business courts, 10 appeals courts in the interior, and other courts, all of which will require a larger budget.

* First Quarter Ends With Increased Reserves

93CA0109B Guatemala City SIGLO VEINTIUNO in Spanish 2 Apr 93 p 3

[Text] The Central Bank reported last night that at the end of the first quarter of the year, the demand for foreign currency through Public Foreign Exchange Sales has declined, while international reserves have grown, thanks to the monetary stabilization program.

It added that the monetary policy aimed at neutralizing excess liquidity and changing the expectations of economic agents has yielded positive results. This is reflected in the growth of international reserves by more than $80 million and in the reduction of demand for Public Foreign Exchange Sales from $35 million to $16.3 million between 19 and 31 March.

The bank also reported that liquidity amounted to $537.2 million in March, approximately $50 million more than that reported on 31 December 1992. This suggests that if the current pattern continues, the goal of accumulating an additional $162 million by the end of 1993 may be attainable.

The report states that according to the consumer price index compiled by the National Institute of Statistics (INE), inflation amounted to 1.36 percent for the first quarter of 1993. At the same time, the year-to-year inflation rate fell from 14.54 percent to 11.97 percent in the last week of March.

The bank indicated that the recent measures taken by the Monetary Board drove down the high interest rates that were being charged in the banking system. These results show that the principal macroeconomic variables have been performing as expected under the monetary, exchange, and credit policies outlined for 1993, said the bank.

* Deforestation Linked to Military Withdrawal

93CA0109D Guatemala City SIGLO VEINTIUNO in Spanish 25 Feb 93 p 3

[Text] The departmental governor of Peten, Carlos Asturias, reported that the Palestine military detachment, stationed along the highway between the towns of Bethel and El Subin, has been withdrawn from the area, and as a result the deforestation in that department has taken on drastic proportions.

The official had complained on Tuesday about the withdrawal of Military Zone 23, located in the village of San Diego, municipal jurisdiction of La Libertad. This will make timber smuggling very easy.

He added that between 1900 and 2100 on Tuesday, 10 trucks were seen loaded with timber that had been taken from warehouses hidden in the jungle. Without the military presence there, smugglers have free rein.

Governor Asturias stated that vehicles were passing through all night long, as there are several hiding places where large quantities of cut timber are being kept. Many unscrupulous Guatemalans are thus plundering the forestry resources of Peten, he said.

He indicated that officials of the National Committee on Protected Areas (CONAP) have discovered how much smuggling is going on now that the Army has pulled out of the area. Neither the Treasury Guard nor civilian entities have the necessary support to combat the groups of plunderers, who include very powerful individuals, he claimed.

"It is a tragic shame that these resources, far from generating tax revenues that could cover the great needs of this department, are falling into the hands of corrupt people who are lining their own pockets," he concluded.

Meanwhile, Defense Minister Jose Domingo Garcia Samayoa reported yesterday that he is unaware of any withdrawal of troops in that area.

He added that he will communicate with the commander of Military Zone 23 to find out more detailed information, because the Army falls under the jurisdiction of Mayan Biosphere protection.

"I have issued instructions to the commanders of the zone and of the Northern Air Base to be my representatives in the area," he added. He said that patrols will continue, and that he will ask the zone commander to talk to the departmental governor about the matter.

* Tourism in 1992 Increases Over 1991 Number

93CA0109C Guatemala City DIARIO DE CENTRO AMERICA in Spanish 11 Mar 93 p 4

[Text] A record number of tourists visited Guatemala in 1992: 541,025 people, a 5.54-percent increase over the 1991 total.

These figures, compiled by the Statistics Section of the Guatemalan Institute of Tourism (Inguat) Development Department, indicate that the goal of 540,000 tourists and $240.0 million in foreign currency earnings was achieved easily last year. The final tally of foreign exchange was $243.2 million, which puts the tourism sector in first place in the nation for the first time ever.

According to a study done by Hans Gehlert Mata, chief of the Development Department, the figures recorded in our country are highly satisfactory. The World Tourism Organization (OMT) has reported that worldwide tourism grew at an average rate of 4.6 percent, and that the increase in foreign exchange earnings from this activity was 6.8 percent for the world as a whole; in Guatemala's case, this increase was 15.1 percent.

This significant increase came about because of the 58,736 tourists who visited Guatemala in December, a record figure in our history, breaking the previous record of 55,519 tourists, set in July 1992.

As for the nationality of the tourists who visited us, the largest number came from the United States, 139,516 tourists, exceeding for the first time the number of Salvadoran tourists.

After the United States, which increased its share by 18.65 percent over the 1991 total, the next largest number of tourists came from Europe, with 12.98 percent. Within that group, Italians, Spaniards, Germans, and the French made up the largest proportions.

It is estimated that next year 570,000 tourists will visit Guatemala, generating foreign currency earnings of $265.0 million.

* CPR Inhabitants Seek Refuge in Mexico

93CA0109E Guatemala City PRENSA LIBRE in Spanish 24 Mar 93 p 32

[Text] An estimated 3,000 to 4,000 Guatemalan peasants in the Communities of Population in Resistance (CPR) have fled to Mexico because of alleged military harassment, which undermines peaceful coexistence, stated Romeo Monterrosa, leader of the Unity of Trade Unions and Popular Action (UASP).

He stated that the victims have sought protection in the neighboring country and abandoned their crops, "which will cause them to suffer because they will not be able to harvest their crops in time."

He indicated that the villages have been bombed, and that three peasants were wounded when they stepped on a "foot-blaster" landmine. He added that they have already requested a meeting with President Serrano to discuss the matter of the CPR's, so that "they will be treated like human beings, especially the children, seniors, and women who are victims of the repression."

Monterrosa emphasized that the multilateral commission sent notices to the Army and to the Guatemalan National Revolutionary Unity (URNG) telling them to cease hostilities in these communities. A visit will be made to take a firsthand look at the desperate situation of the peasants in that area.

He added that the Human Rights Enforcement Office has been invited to participate in the visit to observe the conditions in which the members of the CPR's are living.

Defense Minister Jose Domingo Garcia Samayoa said that the multilateral commission cannot be given full

guarantees, because guerrillas of the People's Guerrilla Army (EGP) are operating in that area. He admitted that the CPR's have been having mobility problems, but "there has been no harassment."

* Violent Deaths Drop 50 Percent in Jan-Feb

93CA0109F Guatemala City PRENSA LIBRE in Spanish 7 Mar 93 p 2

[Text] Guatemala City (ACAN-EFE)—Between June 1992 and February 1993, a total of 1,315 people were murdered by criminals in Guatemala, and 2,527 were injured in violent incidents, reported the police.

These law enforcement statistics, obtained by ACAN-EFE, indicate that in the first two months of 1993 alone, 223 people were murdered and 441 injured.

This year the number of deaths has declined by more than 50 percent from the January-February period of 1992, however, when 464 murders and 423 gunshot or knife wounds were reported.

With regard to robberies, the police indicated that 175 armed robberies took place during the first 60 days of this year.

According to the report, between June 1992 and February 1993, 514 individuals died in traffic accidents, and another 579 were injured in such accidents.

In evaluating the results of the fight against crime in 1993, the police emphasized that 160 members of juvenile gangs were arrested and prosecuted.

The report states that 190 firearms of various calibers were confiscated in police operations, and 221 of a total of 656 stolen vehicles were recovered.

* Spain Signs Judicial Cooperation Agreement

93CA0109G Guatemala City SIGLO VEINTIUNO in Spanish 23 Mar 93 p 8

[Text] Spanish Minister of Justice Tomas de la Quadra Salcedo and Juan Jose Rodil Peralta, president of the Justice Department, signed a judicial cooperation agreement between the governments of Spain and Guatemala yesterday.

Under the agreement, the parties will promote cooperation in the judicial sphere among government agencies, universities, research centers, institutions, and other public and private entities to carry out programs or projects of common interest.

The programs will pay more attention to institutions that guarantee fundamental individual liberties, to the strengthening of regulatory and procedural mechanisms, to the modernization of judicial procedures, and to the system of appointing and evaluating judicial and Public Ministry officials.

At the conclusion of the signing ceremony, Justice Department President Juan Jose Rodil Peralta stated that he is leaving it up to Spanish judicial authorities to enforce the agreement. Any violation of the agreement could result in legal action.

In addition, Rodil proposed the creation of a Judicial Council for Competitive Examinations, which would be made up of representatives of each of the law schools in the country, the Bar Association, and the Justice Department. Its purpose would be to evaluate the professionals who aspire to work for the Justice Department.

Nicaragua

Government Abstains From Condemning Guatemala Coup

PA2705191593 Managua Radio Catolica in Spanish 1100 GMT 27 May 93

[Text] Only the Nicaraguan Government has abstained from condemning the self-inflicted coup d'etat in Guatemala.

No one knows why President Violeta Chamorro's advisers have advised her to keep silent. The other Central American governments have strongly rejected the coup and called for the reinstallment of constitutional rights.

UNO States Position on Talks With Government

PA2705220193 Managua Radio Catolica in Spanish 1100 GMT 27 May 93

[Text] One of the most important objectives of the so-called National Dialogue is the participation of the National Opposition Union [UNO], the political force that put President Violeta Chamorro in power.

UNO, which is now on the opposition's side, has repeatedly urged President Chamorro to hold an integral dialogue to resolve first the country's political situation to then resolve the economic situation.

What are the bases of a dialogue, according to the UNO? A dialogue is the best mechanism for resolving national problems. It must promote the search for integral solutions by placing national interests ahead of personal or party interests.

3. [number as heard] A dialogue must promote a lasting peace to irreversibly and definitely consolidate democracy in our country with full prevalence of human rights and an effective implementation of government platforms.

There must be a permanent attitude in favor of dialogues. This must be a way of life to secure peace and understanding among all those involved.

The objectives of the dialogue are as follows:

The Nicaraguan Government and the UNO acknowledge the importance of bilateral talks, previous agreements, and the forging agreements with all sectors of society to:
1. Continue securing agreements aimed at resolving national problems and promoting the country's political stability;
2. Continue strengthening peace; turning it into a lasting peace that would permit work in favor of development and progress for the Nicaraguan people;
3. Continue reaching important agreements, and duly implementing them, to promote and strengthen national and international trust and credibility;
4. Continue forging national reconciliation with basis on the nation's democratic unity by facilitating the solution of national problems;
5. Continue overcoming the integral crisis by promoting an atmosphere favorable to the nation's economic and social reconstruction.

Managua, May 1993.

There is no signature for the government's side. The following parties signed in representation of the UNO: the National Action Party, the Conservative Popular Alliance, the Social Democratic Party, the Communist Party of Nicaragua, the Liberal Constitutionalist Party, the National Conservative Party, the Nicaraguan Democratic Movement, the Independent Liberal Party, the Christian Democratic Union Party, and the Neo-Liberal Party.

Dialogue Participants Establish Modernization Timetable

PA2705151093 Managua Radio Nicaragua Network in Spanish 1100 GMT 27 May 93

[Agreement issued by National Dialogue representatives on a timetable to reach conclusions on the modernization of state institutions, in Managua on 26 May; read by Attorney General Guillermo Vargas Sandino—recorded]

[Text] Agreement of the representatives in the dialogue on the modernization of state institutions: We, representatives of the Nicaraguan Government, political parties, business groups, and labor groups invited by President Violeta Chamorro to participate in a dialogue on the modernization of state institutions that was inaugurated on 26 May, agreed on the following timetable to reach within one month conclusions and recommendations to determine what steps should be adopted:

Thursday, 3 June: Judicial Branch;
Thursday, 10 June: Electoral Branch; elections on the Atlantic Coast and Comptroller General's Office;
Wednesday, 16 June: Legislative Branch;
Thursday, 17 June: Municipalities;
Wednesday, 23 June: Executive Branch;
Thursday, 24 June: Armed forces and security forces; and
Wednesday, 30 June: Conclusions and recommendations.

We also agreed to invite the top authorities of each institution mentioned to participate in the meetings. During these meetings we will discuss topics pertaining to each of them to promote a high-toned and profitable dialogue for the sake of our country's institutional development.

[Dated] Managua, 26 May 1993
[Signed] For the Nicaraguan Government: Presidency Minister Antonio Lacayo, Finance Minister Emilio Pereira, Social Action Minister William Baez, Labor Minister Francisco Rosales, Construction and Transportation Minister Pablo Vigil, Attorney General Guillermo Vargas, Deputy Foreign Minister Jose Pallais, Deputy Presidency Minister Jose Adan Guerra, and Presidential Legal Adviser Thomas Delaney.
For the Sandinist National Liberation Front: Daniel Ortega and Jaime Wheelock.
For the Centrist Group: Alvin Guthrie and Alejandro Solorzano.
For the Permanent Workers Congress: Jose Espinoza and Antonio Jarquin.
For the National Workers Front: Damaso Vargas and Mario Quintana.
For the National Union of Farmers and Cattlemen: Constantino Pereira and Ariel Bucardo.

Telcor Reports Destruction of Transmission Tower

PA2805050593 Managua Canal Cuatro Television in Spanish 0300 GMT 28 May 93

[Report by Jenny Munoz; passages within quotation marks are recorded]

[Text] The Nicaraguan Telecommunications and Postal Services Institute, Telcor, reported on 27 May, that an unidentified group of armed rebels destroyed the Telcor transmission tower in Cerro La Laguna, Esteli. The action has left Regions 1 and 2 without means of communication and more than 8,000 consumers have been negatively affected. Telcor's central offices received the report that the transmission tower had been destroyed at 0700 [1300 GMT] and a team of 35 technicians in different fields are preparing to travel to Esteli to determine the damages. Only Army personnel have arrived at the site because the rebels mined the entire area before leaving.

[Telcor Minister Rolando Rivas] "No Telcor official has been able to get to the area up to now. The Sandinist People's Army, EPS, is clearing the area of mines and estimates that we will be able to enter the area at approximately 1700 [2300 GMT]"

According to information obtained by Telcor, the transmission tower was totally destroyed. The power equipment, radio antenna, and transmitter cannot be repaired. The damages could amount to more than $350,000.

[Rivas] "The cost is difficult to estimate as it has left most of the country and even the region without communications."

The repairs to reestablish communications could take between seven and 11 days. Costa Rica and the United States have offered to help so that the work can be expedited. The reconnection could take less time if those countries have the same type of equipment used by Nicaragua in stock.

[Rivas] "With a bit of luck, we could get new equipment sooner. We, however, do not know the power situation in the area. We have our own power plants but will require commercial electricity and we do not know if it was also blown up. We are waiting for our technicians' visual inspection of the equipment to determine if the reconnection can be done sooner."

The transmitter is part of the Central American Telecommunications Network and its destruction has negatively affected the other countries in the area to a degree. The problem was solved by the use of the satellite. The destruction of the Esteli transmitter is a warning to Telcor and it will increase its security at other transmitter sites.

[Rivas] "EPS brigades are currently in the [word indistinct] in the northern part of the country and, we understand, the EPS will carry out similar operations in Granada and Rivas on the afternoon of 27 May. The objective is to give military protection to the country's main transmitters from now on."

Actions of this type are censurable because the people are the ones who suffer the most.

Recompas Reportedly Concentrate in Security Zones

PA2705172293 Managua Radio Nicaragua Network in Spanish 1100 GMT 27 May 93

[Text] Government Ministry officials have reported that approximately 200 demobilized members of the Sandinist Peoples Army, EPS—known as recompas—commanded by Caminante, Byron, and Pronson are currently in the security zone in El Sarayal, Jinotega jurisdiction.

In addition, approximately 100 former EPS members commanded by Wacharoc, Cara de Malo, and La Mascota have concentrated in San Pedro del Norte, in the same jurisdiction, while recompas headed by Camaron have concentrated in the El Dorado area.

Ten recompas led by Nelson left the security zone of El Sarayal and are committing all sorts of abuses in nearby localities and on the roads leading to La Mora and La Colonia.

Recompas Baila Baila or 25FDSN, Bigote de Oro [Alcides Rodriguez], Rafael, and others have settled in the area of El Dorado, 6 km south of Wiwili in El Carmen and El Martillo village, west of Rio Blanco.

Panama

Suspended Mayor Correa Sues Magistrates

PA2705160593 Panama City EL PANAMA AMERICA in Spanish 27 May 93 p 1

[Article by Carlos Anel Cordero]

[Text] President Guillermo Endara on 26 May confirmed that he notified Mrs. Omayra Correa on 24 May of her suspension [separacion] from her post as Panama District mayor in compliance with an Electoral Tribunal order. In its ruling the tribunal stated that President Endara was the appropriate official to enforce the tribunal's decision because he appointed the mayor. The Electoral Tribunal reaffirmed this stand in a 26 May communique.

The lawyers for the dismissed mayor on 26 May filed a lawsuit for abuse of authority against the three magistrates of the tribunal.

Defense Lawyer Ruben Moncada Luna argued that the magistrates are not empowered to order the mayor's suspension; they bypassed the president, who is the one empowered to do so.

Magistrate Guillermo Marquez, however, pointed out the tribunal based its ruling on the law, specifically Article 136 of the national Constitution, and thus, "my colleagues and I have a clear conscience." He added, however, that the final ruling will be handed down by the Supreme Court of Justice.

Legislator on Ties With Cuba; Mediation on Blockade

PA2705164993 Panama City LA PRENSA in Spanish 27 May 93 p 3

[Report by Ibeth Vega G.]

[Excerpt] Alberto Cigarruista, second vice president of the Legislative Assembly, declared on the evening of 26 May at the Legislative Assembly that Cuban authorities have stated their interest in renewing diplomatic and economic relations with Panama and that some Panamanian politicians have called for mediation by Latin American Governments to find a solution to the blockade the United States maintains against the island.

Cigarruista traveled to Cuba recently on an invitation from legislators of that island's National Assembly.

According to the Panamanian legislator, during his visit to Cuba he met with Cuban state ministers and legislators who stated their interest in maintaining political and economic ties, not only with Panama, but also with the rest of the Latin American Governments.

The Panamanian legislator said that the final decision on whether to renew diplomatic relations with Cuba rests with the Executive Branch through the Foreign Ministry.

Currently, relations are at the charge d'affaires level. Relations do not exist at the ambassadorial level.

According to Cigarruista, Cuba's economic situation is "disastrous" and Cubans have had to resort to the use of bicycles and animals as means of transportation because of the "inclement measures imposed by the United States and the fall of Eastern Europe."

"I believe the other Latin American countries cannot remain mere observers of what is happening in Cuba, and we should serve as mediators between the United States and the Cuban people to resolve their problems," Cigarruista said.

The legislator said that if efforts are made to promote understanding between the Cuban and U.S. Governments, we would be contributing to the well-being and peace in the entire region. [passage omitted]

Transportation Sector Leader on New Law

PA2705163093 Panama City LA ESTRELLA DE PANAMA in Spanish 27 May 93 p A1

[Article by Carmen Elida Contreras]

[Text] According to the new transportation law approved by President Guillermo Endara on 26 May, all public transportation drivers who participate in the national strike called for 31 May will have their operating licenses revoked.

Article 28 of the recently passed Public Transportation Law states that "total or partial suspension of services without a justified cause is reason for revoking line, route, or bus operating licenses."

Transportation sector leader Luzmila Angulo reiterated the drivers decision to go ahead with a general strike. Angulo told LA ESTRELLA DE PANAMA "we have no options or anything to lose; we have already lost everything."

Angulo recalled that in 1987 the transportation sector went on a general strike to support those who "now rule the country," and in so doing challenged General Manuel Antonio Noriega's regime and risked everything "to bring the current government to power and attain democracy."

"Now we will do it to defend ourselves," Angulo said. He added that the suggestions presented by the transportation sector were overlooked by the legislators when they approved the law.

Angulo charged that new articles were added and previously rejected changes were made to the final document. The transportation leader said that she expects 95 percent of the transportation sector to participate in the 31 May strike.

Meanwhile, Eliseo Alvarez, president of the Legislative Assembly Transportation and Communication Commission, stressed that a transportation strike is "unjustified."

Argentina

Menem Orders Probe of Falklands Execution Reports

PY2705185693 Buenos Aires TELAM in Spanish 1603 GMT 27 May 93

[Text] Buenos Aires, 27 May (TELAM)—President Carlos Menem has instructed Defense Minister Oscar Camilion to "immediately" start an investigation within his ministry into reports of firing-squad executions of Argentine soldiers during the Malvinas war.

Justice Minister Jorge Maiorano disclosed this at the end of a cabinet meeting this morning at Government House. Maiorano, who was acting as spokesman on the meeting, noted that this investigation will be independent of that being conducted by Great Britain.

To 'Protest' if Killings Proven

PY2705133993 Buenos Aires TELAM in Spanish 0045 GMT 27 May 93

[Excerpts] Buenos Aires, 26 May (TELAM)—President Carlos Menem has said the government "will protest at all international forums" if the reported execution of Argentine soldiers during the Malvinas Islands War is confirmed "with proof." The president also forecasted a "resounding" Justicialist Party victory "throughout the country" in the upcoming 3 October election.

During an impromptu news conference at Government House, Menem talked about the "criminal" attitude of businessmen who increase the prices of their products without justification and warned: "If we are not careful with this new model and do not look after our cents, we will return to the past with controlled prices and hyperinflation again."

Menem referred to remarks by Justice Minister Jorge Maiorano, stating that the government "did not intervene in any way" in the investigation on Judge Maria Servini de Cubria.

During the news conference held at the conference hall, Menem reiterated that the government will offer credit lines to rural sectors and anticipated that Guatemala will be expelled from the OAS following the recent self-inflicted coup. [passage omitted]

Asked about reports on the execution of Argentine soldiers after the Mount London battle in the Malvinas, Menem referred to Defense Minister Oscar Camilion's words, adding that "they are the appropriate" to avoid duplication.

The president said: "An investigation is under way to ascertain the real truth—as those who work with the penal code say—and if the reports are confirmed with the appropriate proof we will denounce them to the United Nations, the EEC, and the OAS." [passage omitted]

Regarding the situation in Guatemala and President Jorge Serrano's suspension of Congress and individual rights, Menem said he thinks the military have the upper hand. He added that instead of military subordination to political power there is an alliance between these two powers "which is dangerous."

Menem reiterated his condemnation of these events, anticipating that Latin American foreign ministers will issue "a strong declaration and Guatemala will probably be suspended from the OAS." [passage omitted]

Di Tella: Scotland Yard To Investigate

PY2705225893 Buenos Aires TELAM in Spanish 1521 GMT 27 May 93

[Text] Buenos Aires, 27 May (TELAM)—Foreign Minister Guido Di Tella today announced that in a few more weeks members of Britain's Scotland Yard will arrive in Argentina to investigate alleged executions of Argentine soldiers during the Malvinas War.

Scotland Yard officials a few months ago visited the Malvinas Islands, where they opened an investigation of several charges of alleged executions during the 1982 war.

When asked during an interview with Radio America whether the United Kingdom will return the islands to Argentina, Di Tella said: "This must be taken seriously. There is no doubt that relations with the United Kingdom have improved in the past few years."

Di Tella considered that the sovereignty issue "began to be clearly established in every discussion" and that despite the "existence of an umbrella over the sovereignty issue, we have made progress and we contacted the islanders."

Regarding the contacts he had with the islanders, the foreign minister said that he "on four occasions contacted them by radio and by letter," adding that he received answers "from the islanders and island authorities."

Di Tella said that in a few weeks he will again talk with the islanders via radio to answer any questions they have; he considered this to be "an initial ice-breaking signal."

However, he added: "By order of the president of the Republic, our main priority is the subject of the recovery of the islands, so we must talk with the islanders."

"We must resume the efforts we began in 1971 and which made important progress by 1981, the reason for which we must realize that this is a very difficult subject whose solution we have been unable to find in the past 163 years."

"We are in a better position than we were four years ago," the foreign minister said.

Regarding the situation of Ambassador Ruben Cardoso [former Argentine ambassador to Paraguay who left many outstanding bills when he departed the country],

he said that "an audit that has not yet been concluded is being made and Cardoso has been summoned to the Foreign Ministry to defend himself."

"Without doubt, if some funds are missing they must be returned completely," he said, adding that Cardoso's illness has slowed down the resolution of the case.

Brazil's Franco Signs Trade Agreements

PY2705174793 Buenos Aires TELAM in Spanish 2306 GMT 26 May 93

[Text] Buenos Aires, 26 May (TELAM)—Argentina and Brazil today signed six bilateral agreements on overland transportation, the establishment of binational industries, border policy, and the auto industry's development, and marketing. These agreements reflect the firm intention of "expanding and enhancing" the integration process that was initiated in (?1985).

In a ceremony at the White Hall of Government House, President Carlos Menem and President Itamar Franco signed the respective agreements and other accords on cooperation and marketing in the energy field and coordination in the drug enforcement field.

[Argentine] Foreign Minister Guido Di Tella and acting [Brazilian] Foreign Minister Luiz Lampreia exchanged notes on the construction of a bridge to link the towns of Andres Guacurari (Misiones Province) and Capanema (Brazil) and the establishment of joint consulates and interchange of consular officials.

Concerning the agreement on the car making industry, it was agreed to extend until the end of this year the quotas that were not used in 1992 to export buses, multipurpose vehicles, and trucks. Trade quotas to include a total of 22 000 vehicles were also established.

After the signing ceremony at the White Hall, a high-ranking government source reported that, during the meetings preceding Itamar Franco's visit to our country, Brazil reportedly agreed to purchase Argentine vehicles worth about $600 million to compensate the imbalance in the trade balance and to comply with the quota guidelines that were established.

Concerning the agreements on overland transportation, the transportation protocols establish the formation of a tripartite commission—including Argentina, Brazil, and Uruguay—that will handle the monitoring of the so-called highway axis project [proyecto del eje vial].

All the phases of this highway project will be handled by the private sector. Political support was expressed today for the negotiations to be conducted within the framework of this commission in order to implement a project to reconstruct highway and railway networks.

Concerning the energy field, it was decided to get the Foreign Ministries of the two countries to draw up a framework agreement that will ensure legal and political guarantees for private investors in the exportation of Argentine gas to Brazil's northern basin.

In the energy agreement, the two governments expressed their satisfaction over a contract signed between Petrobras and YPF [Government Oil Deposits]. According to this contract, the Brazilian company will purchase 30,000 oil barrels daily between February 1993 [as received] and January 1994.

Concerning the drug enforcement issue, it was agreed "to harmonize policies and implement coordinated programs" against this scourge "in agreement with current international conventions."

The agreement establishes fluid police and legal information exchanges, coordination of specific drug enforcement strategies, and the implementation of techniques to discover plantations and crops.

Present at the ceremony were executive branch ministers, Misiones Governor Ramon Puerta, Apostolic Nuncio Ubaldo Calabressi, Joint Chief of Staff General Mario Candido Diaz, national authorities, and members of the Brazilian president's entourage accompanying him on his visit to our country.

Anti-Drug Agency Gets U.S. Funds

PY2705181893 Buenos Aires TELAM in Spanish 1328 GMT 27 May 93

[Text] Buenos Aires, 27 May (TELAM)—The Programming and Coordination Secretariat for the Prevention of Drug Abuse and for Antinarcotics Struggle, headed by Alberto Lestelle, has received $162,851.50 that was seized from drug trafficker Humberto Nicanor Gil Suarez and has issued a communique in which it denies accusations leveled by Radical Civic Union [UCR] deputies at the dubious origin of such funds.

U.S. Ambassador to Argentina Terence Todman presented Justice Minister Jorge Maiorano with this sum as part of the transfer made by the American Government to Argentina within the framework of a treaty on mutual legal aid between both countries.

The official communique states: "The presentation of such funds is clear evidence that UCR deputies' allegations, which got good media coverage, were ill-intentioned lies that clearly sought to discredit drug enforcement endeavors by the federal government."

The secretary also reported that 75 percent of this amount will be evenly distributed between the border police and the Buenos Aires Province police, while the remaining 25 percent will be used to fund operations undertaken by the judiciary to prevent and control drug trafficking.

Bolivia

Editorial Supports Change in U.S. Drug Control Policy

PY2705231693 La Paz PRESENCIA in Spanish 18 May 93 p 3

[Editorial: "A Change of Course in the Drug Control Fight"]

[Text] Two important members of the new U.S. administration, Attorney General Janet Reno and Democratic Party leader Marion Chambers, have said that President Bill Clinton will implement an anti-drug policy that will differ from that of his predecessors.

This change, already underway, is based on an assessment of all that has been done by the United States and the countries involved in the drug control process. Although the antidrug strategy implemented by the George Bush administration is not only centered on the cocaine problem but also on psychotropic substances produced in the world and sold in the United States, it has placed great emphasis on the Andean region.

As for Bolivia, this policy is tied to the agreement signed by Bush and the Andean presidents at the Cartagena summit and which is primarily centered on interdiction. The main idea behind the "war on drugs" was to terminate, or at least drastically reduce, cocaine supply and coca plantations which supplied raw materials for cocaine manufacturing through unorthodox means.

It must be noted that this new strategy will reportedly place more emphasis on controlling domestic demand, which in free market terms will be equivalent to citing the obvious: If there is less demand, there will also be less supply, just as was established by Adam Smith more than one century ago.

Many of the ideas being studied by U.S. Government officials were raised at the proper time by the perceptive Bolivian public who viewed with concern a possible escalation of violence and the idea of militarizing the drug control fight. Moreover, little by litte, the country became addicted to the economic aid derived from the antidrug struggle, as will become obvious once this aid decreases.

In view of a U.S. policy change, we will undoubtedly be compelled to revise our domestic strategies. Very soon, we will be forced to prove the coherence of proposals, such as the "coca for development" program, which have been a sort of consensus reply to the theory that it was necessary to erradicate the proliferation of coca farms at any cost.

As the existing pressures diminish, Bolivian officials will be obliged to restructure their plans and readapt them to the new situation. They will be unable to overlook the serious problem of narcotrafficking, and they will certainly need international cooperation to combat it, but they will have to do it in an independent and responsible manner. It will be wrong to have a coca production surplus, not because it is necessary to contradict the Americans, but because it is dishonest to live off something that is harmful for people.

This new policy may also have an impact on U.S.-Bolivian ties. After the national security doctrine, U.S. policy toward Andean countries, with the sole exception of the Jimmy Carter administration, has been centered for too long on the drug issue. This should change.

Although we understand the concern of the U.S. Government and American society in general over this modern scourge, there are other points of interest and issues that have been subordinated to a policy that viewed drug traffickers on one side and addicts on the other. The announced change of course may help to change things. We hope it is for the better.

Banzer Does Not Rule Out Alliance With MNR

PY2805131593 La Paz PRESENCIA in Spanish 23 May 93 Section 2, p 9

[Text] Potosi, 22 May—General Hugo Banzer Suarez, presidential candidate of the Patriotic Agreement, does not rule out the possibility of an alliance with the National Revolutionary Movement (MNR).

Banzer said: "I believe no political party will attain more than 50 percent of the votes in the 6 June elections, and so alliances or post-election agreements will be necessary."

"Our government platform "First the Bolivians' is not perfect, but the Patriotic Agreement is open to all initiatives, ideas, and suggestions to enrich our work program," the candidate said.

He explained: "Any political alliance after the 6 June general elections will be welcome, as long as it is based on the government platform of the Patriotic Agreement."

Although he did not say so directly, Banzer did not rule out the possibility of an alliance with the MNR.

He denied rumors circulating in the past few days that some international organizations that grant credits to Bolivia, mainly the U.S. Government, conditioned future help to Bolivia to an alliance between the MNR and the Patriotic Agreement.

"We did not impose Clinton, Bush, or anyone else on them, so they should not meddle in our current pre-election reality because mutual respect must prevail above everything. I thus totally reject any rumor that may attempt to make us appear as obedient to U.S. impositions," Gen. Banzer said.

He was optimistic and confident about coming to power next 6 August because "The Patriotic Agreement has become a political force that has the credibility and the confidence of the Bolivian people."

He said that one of the main objectives of the Patriotic Agreement, if it comes to power, will be a total struggle against corruption.

Banzer said: "Corruption is a two-way issue because he who receives and he who pays bribes are corrupt. We will try to combat this harmful practice based on the support and the participation of the Bolivian people." The presidential candidate arrived in Potosi to dedicate a potable water pipeline system from the San Juan River.

German Citizen Allegedly Involved in Arms Case Surrenders

PY2705192893 La Paz Television Nacional Network in Spanish 1700 GMT 27 May 93

[Excerpt] German citizen Gunther Pabsch, who is allegedly involved in the arms trafficking case reported in our country, is in Bolivia. He was not captured. He has surrendered to Santa Cruz Department Prefect Guido Anez. This was reported by the interior minister.

[Unidentified reporter] Bolivian investigations into the illegal arms trafficking issue have yielded their first results.

German citizen Gunther Pabsch was in Bolivia, he surrendered to the Santa Cruz Department prefecture, and was subsequently taken to La Paz. This was reported by Interior Minister Carlos Saavedra Bruno.

[Begin Saavedra recording] Mr. Gunther Pabsch, who is of German nationality, surrendered to the district prosecutor of the city of La Paz and the Santa Cruz Department prefect.

He surrendered in Santa Cruz. Mr. Gunther Pabsch was then taken to La Paz. He has been placed at the disposal of the prosecutor's office that is involved in the so-called arms trafficking case. [end recording] [passage omitted]

Brazil

Planning Ministry Officials Announce Budget Cuts

PY2705155793 Rio de Janeiro O GLOBO in Portuguese 26 May 93 p 18

[Article by Leise Taveira]

[Text] Brasilia—Planning Minister Alexis Stepanenko yesterday reported that budget cuts will be implemented worth nearly $2 billion (nearly 88 trillion cruzeiros), equal to nearly two months salaries for 700,000 Federal public employees. Economy Ministry sources have said that the cuts will mainly affect amendments by congressmen during the budget voting sessions in Congress. These amendments in general represent the transfer of funds to states and municipalities for social projects. The government priority programs will be maintained.

Stepanenko said that the government wants to prioritize the programs within the economic plan announced last 24 April by President Itamar Franco. The government also intends to stop issuing money and will not spend more than what it collects. The economic ministers must prepare a program of expenses every three months based on revenue estimates to prevent a lack of control of public expenses.

"The government plan will be followed strictly, without changes. We still have to decide where the cuts will be made. In all, with 4,000 amendments and 13,000 bills added by Congress to the national budget, it is not easy to collect the figures," Stepanenko said.

Planning Executive Secretary Antonio Rocha Magalhaes said that the Finance and Planning Ministries must establish the exact cuts and the fields in which they will be made. Magalhaes added that the voluntary transferences (transference of funds by the Federal Government to the states and municipalities without constitutional obligation) will be the main target for the cuts. The ministries of social welfare, health, education, and regional integration will also suffer budget cuts. Planning Ministry sources have stated that because they were involved in the lion's share of congressional amendments they most benefited from budget allocations.

Several Health Ministry programs, except for the programs of the Single Health System [Sistema Unico de Saude—SUS], will be subjected to cuts, from the construction of hospitals to the importation of medicines.

President Prefers Budget Cuts to Money Issuance

PY2705124793 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 May 93

[Text] President Itamar Franco has said in Buenos Aires that drastic budget cuts will have to be made to facilitate the 85 percent wage increase to public sector workers. He added that some government sectors defend the issuance of money without backing, but he rejects this suggestion along with any other that does not include a budget cut. The president has still to approve the draft bill approved by the Senate and lower house granting an 85 percent wage increase to public sector employees. The Senate approved the increase during a symbolic voting session that lasted less than 5 minutes yesterday afternoon.

Franco Meets Chilean President, Speaks at Congress

PY2805022993 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 27 May 93

[Text] President Itamar Franco arrived in Montevideo, the capital of Uruguay, at 1000 this morning. He was welcomed by Uruguayan President Luis Alberto Lacalle at the Carrasco Airport.

The president was received with a cannon salute. It was 2 degrees Celsius and the wind was strong when the president reviewed the troops. The two presidents then

made short speeches. President Luis Alberto Lacalle welcomed Itamar Franco and Itamar Franco stressed the exceptional moment for the two countries' bilateral relations. Franco said that everything pointed to a solid and permanent understanding between Brazil and Uruguay which is supported by solid and unchangeable links of friendship and good neighborliness.

During the day President Itamar Franco laid a wreath at the monument of Uruguayan hero Jose Artigas, in downtown Montevideo. The president then visited Government House, where he talked with President Lacalle for nearly one hour. The issues on their agenda were a better use of the Uruguay River by transforming it into a waterway, energy supply to Uruguay, and the construction of a railway axis linking Sao Paulo, Porto Alegre, Montevideo, and Buenos Aires.

Itamar Franco received a silver stirrup during the exchange of presents and in return presented President Lacalle with two water color paintings by Brazilian painter (Gita Sharifker).

In the afternoon President Itamar Franco spoke before a joint session of the Uruguayan Congress. In the speech the president emphasized the recovery of democracy in Latin America and mentioned the Brazilian example and the use of democratic tools to overcome a grave crisis.

[Begin Franco recording] Today I can speak of our democratic project, which was strengthened by the Brazilian society's support for all essential goals: The recovery of growth, development with social justice, fighting inflation without arbitrary economic shocks, honor [words indistinct] public functions in the name of people's interests, and the fight against hunger and misery. [end recording]

The president mentioned our foreign debt negotiations and the importance of the economic opening to international markets.

[Begin recording] The normalization of relations with the international financial community is reaching its final stages. We are already anticipating a new era of economic cooperation with the industrialized world. In the commercial field, we will continue with our policy of market opening because we are convinced that it will stimulate our productivity and will benefit our international prestige. [end recording]

President Itamar Franco said that regional integration is one of Brazil's main international policy priorities.

[Begin recording] [words indistinct] Latin American parliamentary contacts through the Parlatino, the Amazon region parliament, and the Mercosur [Common Market of the South] Consultation Commission. Latin American democracies' mechanism for consultation and agreement has also contributed to the region's international prestige. The progressive integration of our countries will change the economic landscape and the terrain in which productive agents move. This integrated participation in international commerce will increase our bargaining power and will benefit everyone. [end recording]

The president said a practical example of this integration is the Mercosur.

[Begin recording] Mercosur countries are responsible for half of Latin America's gross production. The area is well served by a modern infrastructure and the quick movement of goods and services. This transport network will be extended with works such as the Parana-Paraguay Waterway and the railway axis linking Brazil to Uruguay and Argentina. [end recording]

At 2000 President Itamar Franco will again meet with President Luis Alberto Lacalle. On this occasion he will be decorated with the Medal of the Republic.

President Itamar Franco, in turn, will decorate President Lacalle with the Cross of the Order of the Rio Branco Baron.

Tomorrow Montevideo Mayor Tavarez Vazquez will give President Itamar Franco the keys to the city. Franco's official agenda begins at 1100. At that time the president will give a 10-minute speech at Montevideo's municipal council. At noon the president will visit Uruguay's Supreme Court and will give his second speech of the day. Later he will host a reception in honor of Uruguayan President Luis Alberto Lacalle at the Brazilian Embassy. Itamar Franco does not have any official engagement in Montevideo during the afternoon or evening. At 0930 on Saturday, the last day of the Brazilian president's trip to Argentina and Uruguay, Itamar Franco will visit the headquarters of Aladi [Latin American Integration Association] located in downtown Montevideo. The president will depart from Carrasco Airport and return to Brasilia at 1700 on 29 May.

Foreign Minister-Designate Views New Duties

PY2805030893 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 May 93 Section 1 p 8

["Exclusive" interview with Foreign Minister-designate Jose Aparecido de Oliveira by Jair Rattner; place and date not given]

[Text] [Rattner] In 1987, the CPI [Congressional Investigating Committee] headed by Minister Mauricio Correa concluded that you had favored the Serveng and Andrade Gutierrez construction firms.

[De Oliveira] I will give FOLHA DE SAO PAULO full and absolute powers to look into my public life, not only in this case, but also during my administration at the Culture Ministry, the state secretariats I headed in Minas Gerais, the embassy in Lisbon, my participation in the Chamber of Deputies, and my 40 years of public life. Mauricio Correa took the initiative to call me today to tell me that the case had been shelved.

[Ratter] But how do you explain the report of the CPI headed by Mauricio Correa?

[De Oliveira] I do not have to explain it; Correa has already explained it. It was something that happened then, something that was shelved for lack of evidence. My administration was absolutely honest. I have hopes that my administration, measured by the way I handled public money, will be used as reference in present day Brazil. We are recovering the sense of ethics in public life.

[Rattner] At that time you were called the "Z of medals."

[De Oliveira] I considered that to be a television joke. These things are natural resources during political campaigns. No one can say anything about me. They charged that I had insufficient education and that I did not speak any foreign languages, which is something natural in Brazilians, who come from where I came from. I would like those who say I am not suited for diplomatic activity to come to Lisbon to examine my work as ambassador.

[Rattner] As foreign minister you will be forced to take positions, for instance, on the proposal that Brazil must have a permanent seat at the UN Security Council.

[De Oliveira] I think it would be a very important achievement. However, I cannot speak about Brazilian foreign policy yet. During my work at the embassy in Lisbon I learned not to speak before meeting with President Itamar Franco.

Lula 'Does Not Want' Reelection as PT President

PY2705124693 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 May 93

[Text] The Workers Party [PT] is in deadlock. No one wants to assume the presidency of the party. The mandate of current PT President Luiz Inacio Lula da Silva expires in June, but he does not want to be reelected.

The left wing of the party, which has lately gained control of important regional directorates, insists that Lula should be the candidate again. These groups believe that only Lula will be able to unite the several PT groups and prevent a split in the party at the next national convention which will be held in June.

Chile

Aylwin 'Would Have Preferred' Pinochet To Step Down

PY2705231493 Santiago Radio Chilena Network in Spanish 1700 GMT 27 May 93

[Text] President Patricio Aylwin said that he would have preferred it if General Augusto Pinochet had stepped down as Army commander when he became chief of state but, as we respect the constitution, he continued in this post.

Aylwin thus answered a question by a Finnish journalist.

[Begin recording] What I can say is that he has acted in subordination to the president of the Republic and has respected the democratic institutions. He has not interfered arbitrarily in politics and has devoted his attention to his professional duties within the Army. [end recording]

Aylwin later referred to the political espionage in which some military personel were involved, noting that he hoped the court would soon make a decision and apply the necessary sanctions.

Army Privatizes Part of National Explosives Enterprise

PY2705162693 Madrid EFE in Spanish 1532 GMT 25 May 93

[Excerpt] Santiago, 25 May (EFE)—The Chilean Army Ordnance (Famae) has sold 34.4 percent of the shares of the National Explosives Enterprise (Enaex) to the private sector. Stock exchange sources have stated that the sale, amounting to $23.5 million, was made last Tuesday, 25 May, on the Santiago electronic stock market.

One package of shares was purchased by the Sido Koppers group—comprising seven enterprises, which already owned part of Enaex and now holds 51 percent of the Enaex shares—and by the Chicago Continental Bank which bought another 8 percent of the shares.

The U.S. enterprise Austin Powder Chile is another important Enaex share holder with 22.2 percent of the shares.

Enaex, the largest explosives factory in Chile and in South America, supplies 60 percent of the market needs, exports products to the United States, Bolivia, Ecuador, Peru, and Argentina, and recently signed an exclusive contract to supply the Chuquicamata copper mine. [passage omitted]

Police Investigate Money-Laundering Scheme

PY2705223993 Santiago Radio Chilena Network in Spanish 1100 GMT 27 May 93

[Text] The State Defense Council is investigating the laundering of drug trafficking money in the country, which is carried out particularly through the import of spare parts.

Authorities estimate that the state loses 300 million pesos in tax evasion through this mechanism. The case is being heard in San Miguel's Fourth Criminal Court. State Defense Council Lawyer Antonio Navarro said money laundering has been carried out through the so-called paper companies [front companies] created for this reason.

[Begin Navarro recording] There is a lot of money and many people involved. The most important consequence

of this operation is the amount of taxes that have not been paid to the treasury. There are many paper companies with links to the individuals now under investigation. [end recording]

The most important company currently under investigation is (Focus Chile Motores), which is officially owned by Chilean citizen Edgardo Batic Villaroel. The company is also owned by Colombian citizen Jesus Ochoa Galbi, whose family is part of the Cali cartel in Colombia. Ochoa invested $10 million in Chile to create various companies, some of which were also financed by Panamanian organizations.

Batic and Ochoa quickly left the country when the police began investigating the (Focus Chile Motores) company for tax evasion. The judge in charge of the San Miguel's Fourth Criminal Court indicted Argentine citizen Sergio Ortiz Gavan for tax evasion and former tax revenue supervisor Javier Moscoso Silva for extortion. (Focus Chile Motores)'s executive director (Pedro Krastulovich Vadal) was also placed at the disposal of the court.

Finally, the Economic Crimes Investigative Brigade, Bridec, will place (Focus) employee Ariel Saavedra at the disposal of the court in the next few days.

* Pellet Plant Official Defends Environmental Record

93WN0380X Santiago EL MERCURIO in Spanish 3 Apr 93 p C14

[Text] The general manager of CMP [Pacific Mining Company], Rolf Sommer, said the Supreme Court ruling against the Huasco Pellet Plant does not cover ecological and agricultural destruction of the area, but only orders the CMP to comply strictly with Decree No. 4 of the Ministry of Agriculture, published in May 1992, which sets emission standards for megasources of emissions.

"This means that the ruling required the CMP to comply with a standard that was not in effect and did not even exist at the date when the olive growers filed their suit (in 1986)," he indicated.

In a press conference, he stated his company's position on the suit filed by Huasco Valley olive growers seeking compensation for damages. Based on a Supreme Court ruling, this suit argues that the pellet plant's activity allegedly damaged the area's olive production.

Sommers reported that investments of about $10 million have been made in the pellet plant to comply with environmental regulations. He denied that the environmental damage was so great that it could have put an end to olive production.

He said it can be proved that "those trees, as well as pear and quince, other fruit trees, and vegetables are now laden with fruits."

The compensation sought by over 200 olive growers comes to more than $62 million (25 billion pesos). The case is being handled by attorney Fernando Dougnac, who said that the suit is based on a Supreme Court ruling issued in August 1992, "concerning the agricultural and ecological destruction the pellet plant has caused in the Huasco Valley over a 15-year period."

The attorney indicated that just in October 1990 the plant released 40 tons of particulates a day, and dumped into the sea about 172 tons of wastes per hour, damaging Chapaco Bay.

The executive in charge of the plant's environmental program, Erich Wiber, said that polluting emissions from the plant are now within normal limits. He also announced that they plan to build an underwater collector to remove wastes deposited in Chapaco Bay.

Investments

The CMP's general manager said his company has fully met its environmental responsibilities. Of the investment of $370 million made when the pellet plant was built in 1978, he said approximately $22 million was spent on the most modern equipment available at that time, so that the plant's operation would not harm the environment.

In addition, since the plant began to operate up until the present, investments of close to $10 million have been made for the same purpose.

In 1992, after the Supreme Court ruling and a resolution of the Agricultural and Livestock Service, he said that the CMP installed the nation's first environmental monitoring network, in order to determine precisely the level of pollution its production process might cause.

He also said that numerous studies and analyses have been conducted by foreign firms specializing in this issue.

He noted that air quality standards for particulate matter in the Huasco River area were set in May 1992 by Decree No. 4 of the Ministry of Agriculture, "which could only be issued on the basis of a study conducted by the INIA [National Institute for Agricultural-Livestock Research], which was arranged by CMP, in agreement with the olive growers and local officials."

He said the Pacific Mining Company is the major economic activity in Huasco Province, and its business affects the lives of 3,000 workers and their families, as well as local business and cultural activities.

* Deputies Amend Native Forests Bill

93WN0380Y Santiago EL MERCURIO in Spanish 3 Apr 93 p C7

[Text] Valparaiso—The Joint Committees on Agriculture and Natural Resources of the Chamber of Deputies have completed work on the bill on the rehabilitation of native forests and forestry development, after introducing some important amendments in the original text drafted by the executive.

One modification was the deletion of the provision stipulating that the bonus awarded to management plans for native forests would be determined by a selection process.

Under that option, approved plans were to enter a selection process, so some would not receive this benefit. The members of the joint committees considered that a negative feature, as the bonus offers not only an economic benefit, but a social benefit as well.

Deputy Antonio Horvath, a member of these committees, said that with the deletion of this provision, all native forest management plans that qualify have the right to the bonus, so the benefit will no longer be subject to a selection process; upon the approval of the plan proposed for native forests management and development, the plan will be entitled to this bonus.

He added that the bonus covers 75 percent of the net costs for plans that qualify normally and 85 percent for small forest owners.

He also cited as important the creation of a special fund for research and promotion of forest activity, intended primarily for small and midsized industries. It is designed to provide improved training and also better soil preparation for planting native woods.

As this is a parliamentary measure, this fund is to be created with 50 percent of the fines paid for violations of forestry laws, in addition to an amount that may be allocated from the national budget each year.

Another measure intended to improve the Forestry Advisory Council was supported by the joint committees. This council deals with ecological matters and highly productive forests. One more council member has been added, who is to be an agronomical engineer.

One government measure was maintained, but approved only with the votes of the coalition. It states that the determination of forest supervisors, which may be private entities, will be subject to veto by CONAF [National Forestry Corporation].

The forest supervisor's task is to supervise and authorize management plans for native woods and to oversee forestry activity. This activity has been limited, and is now a sort of appendix to CONAF.

Deputy Horvath said that this government measure, which was approved by the coalition, will be revised on the floor, as sectors involved in forestry activity are concerned that it may be considered a "withdrawal of confidence from the private sector."

He said: "We believe the private sector is capable of taking on the work of advising, study, and oversight of our native woods. Clear operating rules and supervision mechanisms can be established so that supervisory roles will not be confused with production roles."

The parliamentarian said the bill is now ready to go to the floor to be debated and voted on by the chamber at large. They believe the native forests law will be enacted by the middle of 1993.

* Committee Forms Against Puyehue Dam Project

93WN0380Z Santiago EL MERCURIO in Spanish 1 Apr 93 p A1, A10

[Article by Nieves Aravena]

[Text] The Pilmaiquen Company is seeking approval to build a metal dam at the mouth of Pilmaiquen Lake. On this dam depends the construction of a future complex of four small power plants, with a total power of 100 megawatts.

A new dispute about natural resources is heating up here in southern Chile. And once again the opponents are ecotourism vs. a hydroelectric company.

This time the star of the controversy is Lake Puyehue. This body of water, 40 kilometers from this city, is fed by the mighty Gol-Gol River, which originates in Puyehue National Park, and flows into the Pilmaiquen River. It is one of the greatest tourist attractions in the Tenth Region.

Some of its beaches, formed of rubble and sands of volcanic origin, might be left under water. They are "national property for public use," and the company is seeking permission to flood them, say opponents of this initiative.

Pilmaiquen S.A., the owner of the plant of this name, has requested authorization from the Department of Marine Resources to build a dam that would raise the water from its current level of 103.5 meters to 105.25 meters.

Since 1956 there has been a wooden dam at the lake's outlet that regulates the flow of water reaching the 39-megawatt plant, located six kilometers downstream from the outlet river. "With a new dam at a level of 105.25 meters, we could store a larger amount of water in Lake Puyehue, using the spring melt to generate electricity between January and April, when there is little rainfall, and there are water shortages," say Pilmaiquen executives Oscar Valenzuela and Andres Orellana, general manager and operations manager, respectively.

They say there are clear benefits: "This is a good deal for the company to store water and also for the country, as it is less polluting than generating electricity with oil and coal."

Defense Committee

On the opposing side, representatives of the Committee to Defend Lake Puyehue, formed by well-known persons in the area, are calling for the community to reject the dam.

They believe that what the company wants "is a real ecological assault, which would mean the end of tourism here."

This committee is formed of representatives of the Ecology Institute of Chile, hotel groups, production and commercial sectors, and the provincial office of Sernatur [National Tourism Service].

They have made public 9,812 signatures collected in Osorno and Puyehue, as evidence of the strong opposition to the Pilmaiquen hydroelectric project.

"They have to demonstrate to us that there will be no ecological damage before the level is raised one centimeter above 103.5 meters. This lake is national property for public use. It belongs to all the Chilean people, and this company wants to use it for its own private business," says the committee chair, attorney Waldemar Monsalve.

In his view, the damage would come from flooding the beaches, which would alter the ecological balance on the shores, affecting flora and fauna, and from flooding the farmlands of small landowners.

Monsalve, who also heads the Ecology Institute, explains that the Puyehue is like a "wider river" that starts in the Gol-Gol up in the Andes, and that any attempt to "dam it" will affect conditions in the lower part of this water course, which lies in a national park.

Project Halted

This reaction has put a hold on the Pilmaiquen projects. They say that the delay in processing the permit application by the Department of Marine Resources is unusual. That disturbs them.

The real reason is that the construction of a new metal dam with floodgates, at a cost of $1 million, would not only supply the present plant, which barely produces about three percent of the interconnected power system. It is also "a basic factor" for the future construction of a complex of four small plants down on the Pilmaiquen River. They are: Rucatayo and Trafun, each with a 30-megawatt capacity, and Maihue and El Avellano, 20 megawatts each. In all, these units would require investments of $120 million.

"If they oppose this, I do not know what they are going to allow. The country needs small viable projects that will create less of an adverse environmental impact," says Orellana, adding that many people are using their influence to keep this project from becoming a reality, including parliamentarians representing the area.

"Here we are talking about raising the water level by 1.5 meters, to a level that the lake has reached at other times, and keeping it stable over a longer time period," he added.

Although no environmental impact study was done, as their advisers consider it unnecessary, the Pilmaiquen executives say the water will invade coastal areas set aside "for public use and not private lands."

They even say that contrary to what the detractors think, tourism will benefit, as in some campgrounds no more than 10 meters of beach will be lost, and in others, "people will be able to go directly from the meadows to the water."

End of Tourism?

For businessman Carlos Schott, another member of the committee, it is essential to require an environmental impact study to protect tourism and the lake's environmental future.

"The loss of beaches will put an end to tourism at Puyehue, as tourism is very sensitive to environmental changes. Nobody will want to come if, instead of sand, there is a quagmire or a proliferation of reeds and rushes along the shore," he said.

The provincial director of Sernatur, Lidia Morales, said that in March 1991 she presented their disapproval to the Department of Marine Resources, which had asked the organization to comment. A new request for reconsideration, made in January 1992, also received a negative response. She added that recently the national director of Sernatur, Eugenio Yunis, who favors a tourism master plan for the lakes, made a similar statement to the marine resources authorities.

To whom do the beaches belong?

The managers of Pilmaiquen say that "in building the dam, what we want to occupy (by flooding) is national property for public use, the beach, which would not affect private property."

They add that the Department of Marine Resources has not clearly defined the "shoreline" for lakes, as it has for the seacoast. And as this is "property for public use," both the Ministry of National Resources and the marine authorities have now been involved by a Senate motion supported by Senators Bruno Siebert (RN [National Renovation]) and Gabriel Valdes (DC [Christian Democracy]).

The Committee to defend Lake Puyehue, meanwhile, emphatically asserts that "these beaches belong to 13 million Chileans."

So it seems that this dispute will be extensive in scope, following the course of the hydroelectric dam that might be located a little to the north, on the powerful Biobio River.

Colombia

DAS Reports Losing Trail of Pablo Escobar

PA2805012893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2350 GMT 27 May 93

[Text] Fernando Brito, the Administrative Department of Security, DAS, director, met with international correspondents on 27 May and stated that they had lost Pablo Escobar's trail several weeks ago. Brito added that the Medellin Cartel chief remains in hiding but could reappear to commit another terrorist action. According to DAS, Escobar is still in Medellin or Antioquia and has enough money to hire and organize bands of assassins.

* Possibility of Cali Traffickers' Surrender Viewed

93WD0584Z Santa Fe de Bogota SEMANA in Spanish 11 May 93 pp 44-47

[Text] About a month ago close to 100 people from the Cauca Valley met at an elegant country residence on the outskirts of Cali. These were not your average 100 people. They were individuals who had been involved directly or indirectly in drug trafficking and had decided to hold a summit meeting to discuss the future of the business.

The people at the meeting were a varied lot, from retired veterans to the new generation of chiefs of small cartels, along with accountants, financiers, haulers, and obviously a great many bodyguards. Gilberto Rodriguez Orejuela and his brother Miguel, Francisco Herrera, Jose Santacruz, and many others were there. They rubbed elbows democratically, whiskey in hand, with a number of individuals, some of whom they did not even know. What is called the Cali Cartel is not a centrally run organization today; it is a federation of many independent groups that from time to time enter into strategic alliances. The northern cartel is considered to carry the most weight today within the federation. The axis of power, which used to be in Cali, has shifted to the northern part of the valley, further weakening its central leadership.

In any event, they were all, or almost all, there. A huge table that was to be the work place for several hours had been set up. All present acknowledged that business was good. The numbers were impressive. Just five years ago the Medellin Cartel exported 70 percent of the country's cocaine, and the Cali Cartel played a minor role with around 20 percent. Today these percentages have practically reversed, and the Cauca Valley has the lion's share.

Yet the future does not look too bright. Several of those present are living in the underground, and under such circumstances no one can enjoy his fortune. Even more seriously, there was straightforward discussion of what the medium-term implications would be if the government resolved the problem of Pablo Escobar. The conclusion was that with the chief of the Medellin Cartel dead or behind bars, the entire military machine that had been set up to battle Escobar would become unemployed. That would mean that sooner or later the entire machine would descend on the Cauca Valley. The 3,000 men in the Search Task Force who are today scattered around the Antioquia Mountains would start conducting their raids in the valley plains. The government would want to show world public opinion, after Escobar's demise, that the war was being fought against an evil, not just an individual. And with the Medellin Cartel on the way to extinction, most of the evildoers would be on the other side. For all of these reasons the decision was made, for the first time in the history of the cartels, to look into the possibility of having the Cali Cartel dismantle itself. All present were asked to study the issue, and an agreement was reached to hold a second meeting in two weeks.

The same people met in the same spot two weeks later. The gathering was devoted entirely to an examination of the legal situation of each person present. After they reviewed at length their situations and the prospects for the future if they continued along the same path, they reached the conclusion that the time had come for an about-face. They thus decided to submit officially to the government an offer to dismantle the business in exchange for just one thing: an extension of due process in the legal proceedings against each of them.

What did all this mean? It meant that what in fact tormented them the most was the failure to clarify their legal situations. Several of the people at the meeting had to live underground for many reasons. Some were wanted by the law. Others were being prosecuted but were not being sought on arrest warrants, and still others were simply being called "presumed" drug traffickers. Not even the government could agree on who was to blame for what. Several official bodies had their own lists of who belonged to the Cali Cartel, and they did not always square. The fact is, though, that on account of this disarray or confusion, they all felt that anything could happen to them at any time.

The request that they decided to make of the government was very simple. They simply asked it to draw up a single list of Cali Cartel members who had accounts to settle with the law. Once this list was made public, they would ask to subdivide it into the three aforementioned categories. All those who were regarded as "presumed" drug traffickers, without any evidence of their activities, would be stricken from the list. At that point the courts would have to concentrate on the people against whom there were formal charges. They would have to be given guarantees of due process. Those who could be proved guilty would be punished in full accordance with the law. Those who could not would see the proceedings closed.

If we remove all of the "presumed" traffickers from the list, the courts would have to deal with a relatively small number of people. No more than 20 of the ringleaders of the Cali Cartel have accounts to settle with the law. The request solely for due process is surprising, because this is a right of all Colombians and an obligation of the

justice system. They feel, however, that for reasons of public opinion, due process does not apply in the case of famous individuals associated with drug trafficking. Since there is generally no conclusive evidence in such cases, the trials last indefinitely and never come to an end. The chiefs of the Cali Cartel have been found innocent in many courts. But they claim that when the final stage arrives, total acquittal, legal technicalities are cited to annul the trials and force them to begin again from square one.

That is not all. They feel that they are often framed to keep them in a legal limbo. A cartel lawyer whom SEMANA consulted said that the laws on illicit enrichment are being enforced arbitrarily in their case because this crime has existed for private individuals only since 1989 and, therefore, it cannot apply to assets acquired before then. "Everything that has been purchased from 1989 to date can be investigated, even seized. But there is no control over what was acquired before that, even if it was purchased with drug money, for the simple reason that the law cannot be retroactive, even for drug traffickers," the attorney told SEMANA.

In other words, the message is that if the courts can prove that they are drug traffickers, they should go to jail. Otherwise, they should go free. Their thinking is that most of the people who have been indicted, probably fewer than 20, could not be found guilty of a crime in any impartial court. In the instances in which there is sufficient evidence, they will pay the price. This is not surrendering, because surrendering implies confessing to a crime, and they are not prepared to confess to something that cannot be proved. And owing to group solidarity, they will obviously not offer to turn state's evidence.

So, if this is what they are asking for, what are they offering? To dismantle the business and retire permanently. How would they make good on their offer? That is still uncertain. They have looked into ways of turning over their laboratories, routes, crops, etc., but have reached no agreement in this regard. What they are quite categorical about is that a dismantling of the drug trafficking business does not depend on token gestures, such as surrendering a laboratory in front of TV cameras, as Escobar did, but on the principals' real determination to abandon it. They, thus, do not attach much importance to the surrender "show" but rather to the results. They say that the DEA [Drug Enforcement Administration] and the Colombian authorities are able to gauge accurately how many ships or planes loaded with cocaine leave the Cauca Valley. The figures on seizures are a barometer of drug shipments. And the price of cocaine on the streets of New York is the last word. Today a kilo sells for less than $20,000. If the 100 people at the gathering on the Cauca Valley estate were to quit the business, the price ought to jump quickly to $50,000. And how would observance of the pact be guaranteed? According to the cartel's attorney, in their world the only thing that counts is a code of honor. And it speaks very clearly: whoever enters into the agreement must comply with it. Whoever welshes is a dead man.

In short, what they are proposing is something like "apply the law to us, without getting politics involved, and we will give you a gentleman's pledge to close the business."

Accordingly, a spokesman for the Cali Cartel conveyed the offer to the prosecutor general, Gustavo de Greiff. He called an initial meeting with the emissary and the attorney general, Carlos Gustavo Arrieta. At this first contact they listened to the proposal. The attorney general and prosecutor general felt that the matter was delicate enough not to close the door on it. Four weeks later a major Cali businessman made individual calls not only on the prosecutor general and attorney general but also on the defense minister, Rafael Pardo; the director of the National Police, General Gomez Padilla, and the director of the DAS [Administrative Department of Security], Fernando Brito, inviting them to his home to discuss the matter. The meeting was eventually held in the office of the prosecutor general. It was not a very long one. The six senior officials listened to the Cauca Valley businessman for more than a half hour. When he left, they talked the matter over for about another hour.

In general, the proposal was received with relative skepticism. The emissary who conveyed it was, however, very specific and very convincing. But everyone present realized that while dismantling the world's most profitable business is very easy on paper, it is not in real life. Moreover, they also agree that any negotiation is impossible. All of the previous experiences with Pablo Escobar in terms of contacts, dialogues, etc., have turned out poorly. This is why none of those present was very enthusiastic about "the surrender" of the Cali Cartel, although the prosecutor general and, in particular, the attorney general, did not rule out some sort of followup as long as it did not mean any negotiations.

The reason that it was not ruled out is that the only quid pro quo for the "surrender" was due process. It does not create major problems for anyone, for the time being, if a few criminals merely ask that the law be applied to them. Under such circumstances the offer to quit the business is unilateral, and the official position is that hopefully it will come to pass.

These are the official positions in this case. The facts, however, are less straightforward. On the one hand, there is no doubt that there has been a great deal of legal legerdemain to avoid acquitting certain individuals who the public knows are major drug traffickers but whom the courts have been unable to convict. The investigation procedures in drug trafficking cases are so deficient that Pablo Escobar, the biggest trafficker in history, is not under indictment in Colombia for exporting cocaine. The accounts that he still has to settle with the Colombian courts have to do with terrorism and homicide. Escobar and all of the big chiefs of the cartels are wanted for drug trafficking overseas, but since extradition is now

banned, those proceedings are ultimately meaningless. The members of the Cali Cartel know that most of the evidence against them is very shaky and probably not sufficient to convict. They reckon that if the law is enforced according to strict judicial standards, fewer than five will wind up in jail. The others would have clean records to show society and could return to the streets and enjoy their money. Their reasoning is that if the price of these clean records is to shut down the business, they will pay it. When all is said and done, $1 billion with freedom is better than $2 or $3 billion in the underground.

According to several individuals close to the events, their intention to surrender seems genuine. But there is a difference between good intentions and what is possible. The code of honor that they invoke may be quite real, but the word of honor of drug traffickers is not much of a guarantee to public opinion. Actually no one expects that drug trafficking from the Cauca Valley can be ended. Even if the people proposing to retire today really intend to, others will no doubt replace them. As long as this billion dollar business exists, there will always be someone to give it a try.

Nevertheless, some elements of the Cali Cartel's proposal are interesting. In the first place, they are not asking for any sort of negotiation. Second, even if they were to do only part of what they are offering, the country would be making much more headway in the war on drug trafficking than it has with the repressive policy of the past 10 years.

Ecuador

Strike Continues; Government Suspends Classes

PA2705143293 Quito Voz de Los Andes in Spanish 1200 GMT 27 May 93

[Text] During the evening of 26 May the leadership of the Single Indigenous Union Committee [Comite Unitario Sindical Indigena Popular] agreed to continue the indefinite national strike.

Mediation by the presidents of Congress, the Supreme Court of Justice, and constitutional guarantees courts failed in their first attempt to promote a dialogue. Nevertheless, the strike committee made a proposal to Congress that has been interpreted as a possible solution. The proposal entails a commitment to disregard the agrarian and modernization projects.

The government decided to suspend classes indefinitely in all schools throughout the country, criticized the de facto measures adopted by the workers, and decided not to declare a state of emergency.

Strikers Occupy Tribunal Building

PA2805003893 Paris AFP in Spanish 2358 GMT 27 May 98

[Text] Quito, 27 May (AFP)—Ecuadoran workers and Indians, who began an indefinite nationwide strike on 26 May, on the afternoon of 27 May took over the building housing the Tribunal of Constitutional Guarantees (TGC) in Quito and charged alleged violations of the Constitution by the government.

Francisco Celi, spokesman for the strikers, explained that the peaceful occupation of the TGC—which is in charge of watching over the application of the law in the country—is because the administration of right-wing President Sixto Duran-Ballen is "repeatedly violating the Constitution of the Republic."

He added that they are demanding that TGC President Fausto Zurita make Duran-Ballen respect the Constitution, inasmuch as it is not possible that "laws continue to be imposed over and beyond the national Constitution. We also want someone do something about solving the problems of the workers, because the National Congress and the government have turned deaf ears and no one is looking after the problems of the people who are starving to death," Celi said.

Other groups of workers and Indians on the morning of 27 May took over the Basilica of Quito, a church that is very close to the Carondelet Palace, site of the government, to reject the economic and social policies implemented by the government of Duran-Ballen.

The United Workers Front (FUT), that is made up of the four most important labor unions, called its members, students, teachers, and Indians to a "national civic strike" that began on 26 May. The FUT is demanding urgent salary increases; a freeze on the prices of fuels, public services, and staples; a halt to the payment of the foreign debt; and respect for human rights.

Social Christian Party Deputy Comments

PA2705140693 Quito Voz de los Andes in Spanish 1200 GMT 27 May 93

[Telephone interview with Social Christian Party Deputy Eduardo Villaquiran by unidentified reporter—live or recorded]

[Text] [Reporter] What is your opinion on the strike called by the United Workers Front?

[Villaquiran] I agree with some of the reasons that move Ecuadoreans to protest; I think that they are justified. I do not, however, agree with the use of violence to protest. I think a strike not only paralyzes the country, but also causes huge economic losses that, directly or indirectly, affect the people in the end.

[Reporter] With what do you agree?

[Villaquiran] I agree with their protesting against the high cost of living. I think that since the package of measures was announced on 3 September, the Ecuadoreans have seen basic staple prices increase. Recently the president himself announced new economic measures without having yet explained how the government spent the funds collected from previous measures.

Ambassador: OAS Sending Delegation to Guatemala

PA2705144493 Quito Voz de los Andes in Spanish 1223 GMT 27 May 93

[Telephone interview with OAS Ambassador to Ecuador Flavio de Almeida by an unidentified reporter in Quito—live]

[Text] [Reporter] What are your views, (Dr. Flavio de Almeida), regarding the events in Guatemala and the urgent meeting, which according to the Argentine foreign minister, the OAS will hold within the next few days to discuss the immediate return to democracy in that Central American country?

[De Almeida] Good morning, Marco Antonio. Thank you for this opportunity. The OAS Permanent Council met on 26 May to discuss the events in Guatemala and to ask the Guatemalan Government to immediately reinstate democracy and institutionality.

[Reporter] In the event that this does not happen, what sanctions or actions can be expected of the OAS?

[De Almeida] I cannot say right now. Over the weekend Secretary General Baena Soares will send a delegation to Guatemala City to get a first hand view of the situation there. Baena Soares will then [words indistinct] to the extraordinary meeting of American foreign ministers to say exactly what is happening in Guatemala. The American foreign ministers will decide what will happen to Guatemala at the OAS.

[Reporter] Finally, what differences do you perceive between the Peruvian and Guatemalan situations?

[De Almeida] Each case is different. I am in Quito; I am not directly aware of the circumstances that prompted the Guatemalan president to make this decision. Apparently, the situation in Guatemala is quite different from the situation in Peru, where there is almost a war against Shining Path. This was not the case in Guatemala. At any rate, the circumstances are different, but I cannot say from here exactly what those differences are.

Demonstration Turns Into Riot in Quayaquil

PA2705142793 Quito Voz de los Andes in Spanish 1206 GMT 27 May 93

[Text] In Guayaquil, a street march by labor leaders turned into acts of vandalism that included the sacking, stoning, and destruction of businesses, vehicles, and buildings.

Around noon, demonstrators used rocks to attack buildings, including the exclusive La Union Club.

The police dissolved the demonstration and arrested several persons. Some people were injured by tear gas bombs. Transportation services were operating with 50-percent efficiency under the supervision of Guayas policemen and Transit Commission authorities.

Health Ministry and Ecuadoran Social Security hospitals have closed their doors on orders from labor leaders.

This was the situation in Guayaquil on 26 May as a result of the strike envoked by the Sole Workers Front.

* Privatization of Army Industries Discussed

* DINE Director Objects

93SM0246A Guayaquil EL UNIVERSO in Spanish 13 Apr 93 p 3

[Text] The companies managed by the Army are efficient enough, and have optimal organization and skilled human resources available; moreover, they have been undergoing modernization for many years. Therefore, "privatization does not apply to us." This claim was made by the executive director of the Army Industries Directorate (DINE), Staff Colonel Marco Mino.

Furthermore, he remarked, if the concept of privatization is viewed technically, and in its proper dimensions and significance, it means making private something that is public, and the Armed Forces companies are virtually private.

Mino expressed his disapproval of the State Modernization Bill, as conceived, because, "it is not a modernization bill, but rather one for privatization." Commenting on the status of the Army industries, he declared: "If the companies are efficient, there is no reason for disposing of those economic packages."

Nevertheless, he admitted that the DINE would accept the policies emanating from its board of directors which, as it conducts its studies, will be able to determine whether disinvestments can be made, "or even whether to purchase stock shares in other companies," thereby reinforcing, rather than weakening it.

He stated: "The DINE does not represent the interests of privileged groups or oligopolic groups, but rather, the people's interests and the country's welfare."

He pointed out that the interest in the DINE companies goes beyond the modernization currently being discussed, because "for many years there have been individuals behind ANDEC [National Steelworks of Ecuador] and FUNASA [National Foundries] recorded among the principals."

He stressed that privatization is not always the sole means of seeking efficiency, because it must be realized that "there are also private companies that are inefficient."

He noted that it is important to consider what has happened with the privatization processes in other countries. Consequently, it should be borne in mind that any step taken must be for the nation's benefit, and that "we must be careful about those who will benefit from the sale of companies."

He claimed that the country must be very cautious and, furthermore, "make a meticulous inspection," to ensure that everything is quite clear, "with nothing happening under the table."

* Retired Officers Comment

93SM0246B Guayaquil EL UNIVERSO in Spanish 11 Apr 93 p 4

[Text] Quito—The Association of Retired Generals and Admirals warned the government that, with the economic bills being negotiated in Congress, an attempt is being made to weaken the Armed Forces. It claims that, for this purpose, violations are being committed against the Constitution, the Organic Laws and the Personnel Law of the Armed Forces, the National Security Law, and the Law on Financial Administration and Control.

During his appearance before the National Congressional Committee on Economic Affairs, the chairman of the Association of Retired Generals and Admirals, Victor Hugo Garces Pozo, declared: "The State Modernization Bill is an attempt to transfer exclusive powers of the Armed Forces to the CONAM (National Modernization Council). It seriously jeopardizes not only the future of the Armed Forces, but also obviously strategic areas of the state, possibly harming the country's future, by seeking to make decisions with an exclusively entrepreneurial strategy."

He gave a reminder that the same thing was done in the case of the Budget Law, with which the Finance Ministry appropriated for itself exclusive powers and funds of the Armed Forces. It also usurped functions of the Defense Ministry, the Armed Forces Joint Command, and the National Defense Board.

Disrespect for the Constitution

He maintained: "The creation of the CONAM should emerge from the law and not from a mere executive decree, and it should be comprised of representatives from all the state authorities and those of the Armed Forces Joint Command. It should also include the sectors most affected, such as the workers, and not just entrepreneurs, who would be the ones to benefit most, acting as both judge and party concerned."

He remarked: "Furthermore, the CONAM cannot have the confidence of the present chief of state alone. It must have the confidence of all sectors of Ecuadoran society, because this will be a process that could last for several decades, involving several governments."

He continued: "It is disturbing that there is lack of respect for the National Constitution and that, through a secondary law, the exception becomes the rule, and an attempt is being made to transfer strategic areas to be managed by the CONAM. It is disturbing that, through a mere executive decree, these areas may be turned over to national or foreign private enterprise. This would mean converting the president of the Republic into a habitual violator of the Constitution, and a mere vendor of public enterprises. None of his acts would have any merit according to the stipulations in Article 137 of the Constitution."

He asserted that the economic laws sponsored by the Executive Branch are clearly intended to weaken the Armed Forces and, hence, the intrinsic strength of the nation.

He indicated: "The Armed Forces have made a decisive contribution to the modernization of the state and its laws, and to the reinforcement of the executive branch, which has been weak for over 120 years. They have provided it with resources enabling it to perform its tasks of social justice, with a permanent national objective of seeking the welfare of the Ecuadoran people."

He added: "We consider oil to be strategic, as we do the basic electrification network, and, similarly, the national telecommunications network and the national assignment of frequencies."

Bans

The association called upon legislators to introduce the following into the bill:

- A ban on state companies of other nations participating in bidding competitions or tenders.

- A ban on accepting liabilities of the country's foreign debt that were acquired at a value between 17 and 25 percent, when their acceptance at face value had been sought, both in the purchase of public enterprises and in investment in the development of resources in the subsoil.

- A ban on participation in auctions by entrepreneurs, private institutions, banks, and financial institutions that benefited from the conversion of their debts in dollars to sucres.

- A ban on participation in these purchases of the state's assets by officials of the present government, their relatives, or companies in which they are owners, stockholders, or high-level executives.

Military Companies

He gave assurance that most of the military companies are of the mixed capital and private types, adding that they are efficient and do not share in budgetary appropriations from the state.

He indicated that they are not monopolistic either, and that many of them were created specifically to give an incentive to private capital for investing in areas not of

special interest. However, he noted, they represented a considerable savings of foreign currency for the state and the Armed Forces.

Firm Position

He observed: "We in the military request that there be respect for the Constitution and for the military laws, and that no agencies assuming functions, obligations, and rights belonging exclusively to the Armed Forces be created. We request an amendment to the Budget Law for the public sector, extending the pertinent exceptions to the Armed Forces, in accordance with the stipulations in Article 126 of the Constitution."

Finally, Admiral Victor Hugo Garces Pozo declared: "We do not want foreign powers to make decisions for us. Let us remember what happened in 1941 [border dispute with Peru]. We do not want the economic interests of foreign companies, especially in strategic areas, to exert pressure and even use diplomatic channels to threaten us with diplomatic sanctions and those of other types."

He concluded by urging: "Let us remember the tuna war, the EMELEC [Ecuadoran Electric Power Enterprise] case, the Anglo case, and the Mines and Petroleum case."

* Industries Examined

93SM0246C Guayaquil EL UNIVERSO in Spanish 13 Apr 93 p 3

[Article by Roberto Peralta Cardenas]

[Text] Amid great secrecy, the announced modernization of the state "knocked on the doors" of the Armed Forces, as soon as the military themselves expressed in advance their view rejecting possible privatizations of the sector's companies.

There is an explanation for this because, when the Armed Forces' participation in business is under discussion, there is at stake the substantial sum of 115.209 billion sucres' worth of fixed assets which, at the current dollar quotation, represents $61.477 million. In addition, the capital stock amounts to 56.325 billion sucres (approximately $30.56 million).

Business Net Worth

Also involved is a business net worth totaling 72.064 billion sucres, or about $38.454 million, with annual net sales of 194.086 billion sucres (approximately $103.567 million). Furthermore, there are high rates of return, the averages of which are nearly always in double digits.

These figures represent the proceeds from the entrepreneurial group of the Army Industries Directorate (DINE) which, with some 20 companies, provides work to 3,249 persons, and is linked, directly or indirectly, with another 2,020 companies.

During 1991 alone, the DINE represented a contribution of 3.486 billion sucres to the treasury coffers; compounded by the Value Added Tax (VAT), totaling 6.998 billion sucres, and customs duties amounting to 13.819 billion sucres, according to official data from the DINE.

Given their financial characteristics and undeniable prosperity, expansion, and surpluses, the DINE companies have proven to be attractive to national or foreign investors.

The industrial-military complex is quite extensive. According to the census of state enterprises taken by SENDA [expansion not given], there is a total of 27 companies subordinate to the Defense Ministry. Four of them are totally autonomous, 15 are affiliated, and eight are auxiliary. These companies sound interesting for private investment.

Of the four autonomous companies, two belong to the mining sector, and two to the industrial sector. Of the 15 affiliates, four belong to the transportation sector, two to mining, and nine to industry; and of the eight auxiliary types, one belongs to the agricultural-livestock sector, and seven to the industrial sector.

Included among the companies affiliated with the Defense Ministry (with participation) are Ecuatoriana de Aviacion [Ecuadoran Aviation], the Ecuadoran Petroleum Fleet (Flopec), Ecuadoran Military Air Transport (TAME), Ecuadoran Shipping Transport (Transnave), and Ecuadoran Naval Shipyards (Astinave).

According to the National Council for State Modernization (CONAM), the Armed Forces' companies are included in the group for "future privatizations." In other words, those not considered specifically, but due to be discussed "very seriously" within the next few months, are in this category.

With Lower Priority

According to the government agency's modernization strategy, the Armed Forces' companies are classified as the defense industry and are those of "lower priority," because they are well run, do not use subsidies, and have had the funds necessary for investment.

Nevertheless, at any given time, the entrepreneurial aspirations based on the DINE companies' good financial results could bring about pressure or "suggestions" for carrying out the process.

The issue has come up for discussion, and now the views of the government, the military, and civilians must contend with one another, amid charges that the companies are in unfair competition with private business firms engaged in the same activities.

In the controversial area of state modernization, what the Armed Forces consider to be "at stake" is the Army Industries Directorate, DINE.

According to its corporation charter, its activities are guided by, and executed based on the objectives of producing materiel, armament, equipment, ammunition, and components for war; prospecting and development, subject to the laws on minerals and raw materials considered "basic and strategic"; and promoting industry, among others.

Hence, one infers that a possible privatization of the Armed Forces' companies would be tantamount to putting an end to the DINE, depriving it of its activity, or merely leaving it to exist symbolically.

The DINE has over 20 companies, of which only FAME [Ecuadoran Military Manufactures] and FMSB [Santa Barbara Ammunition Factory] are its own. However, it holds an appreciable share in the rest.

FAME stands for Ecuadoran Military Manufactures, a company producing a wide range of items of clothing and supplies for military use, such as uniforms, shirts, underwear, sheets, towels, and others. It also manufactures a variety of garments for use by public and private institutions.

The company has a production capacity to manufacture over 1.8 million articles of various types, with three work shifts per day, intended to meet a constantly increasing demand for its products. It employs a direct labor force of over 500 persons full-time, and 100 part-time.

The FAME production is prominent for its military items, including linen for military use, and other articles for military use, ranging from flags to handkerchiefs. It also produces items for the FAE [Ecuadoran Air Force], the Navy, and even civilians, such as warm-up suits, sweatshirts, skirts, and "minis."

With such a record, receiving that industry would be "a feather in the cap" of any beneficiary.

The second major industry is the Santa Barbara Ammunition Factory, FMSB, associated with the manufacture of military type ammunition, hand and exercise grenades, light submachineguns, and antitank mines. It also engages in upgrading the power in light weapons and reloading small caliber ammunition.

Ranking next is National Steel of Ecuador, ANDEC, in which the DINE has been a stockholder since 1984. It is associated with the national iron and steel sector as one of the two steel rolling industries existing in Ecuador.

Only Industry in the Country

On the other hand, National Foundries, FUNASA, established in 1974, is the only steel foundry industry existing in the country. With the use of scrap iron, it produces square billets, the raw material used to manufacture structural iron for construction.

The Military and Camping Equipment Factory, FADEM-CEM, founded in 1975, is dedicated to manufacturing activity, producing canvas military equipment for the Armed Forces.

The Mixed Economy Explosives Company, EXPLOCEM, dates back to 1977. Its activity is concentrated on the manufacture and marketing of dynamite, detonating cord, safety fuse, blasting caps, special charges, and other explosive by-products and components.

ENIC [expansion not given] is a firm founded in 1972, but acquired by the DINE in 1990. It is devoted to the production, processing, and marketing of leather and other tannery components for the manufacture of footwear.

Industrial Footwear, Mixed Economy Company, CALINCEM, founded in 1989, is associated with the manufacture of footwear with vulcanized rubber, and of athletic shoes. It has access to the civilian market.

Electromechanical Tools of Ecuador, ISKRAEMEC, produces a wide range of machines and tools, in 80 different models, for industrial and household use.

This is a company founded in 1975 in the context of the Andean Pact. It exports its products to the subregion's countries, to those of the ALADI [Latin American Integration Association], and to other markets, such as Mexico, Central America, and Brazil.

Prominent among its products are drills, cutting tools, grinders, electric saws, concrete vibrators, sanders, and other tools. It manufactures approximately 60,000 machines per year, during a single daily work shift.

OMNIBUS B.B. TRANSPORT, INC., is a company formed in 1975, which produces and assembles light vehicles, such as automobiles. The DINE is a minority stockholder in this firm.

Ecuadoran Manufactures, Frames, and Spare Parts, MARESA, is another company producing and assembling light vehicles such as automobiles and pickup trucks.

There are on record other companies in which the DINE has a share, such as ARMCO, Metal Products, and Recordmotor, Inc., which markets light national vehicles and passenger buses.

In addition, there are: TUBUSA, Petroleum Tubular; the Mixed Economy Mining Company, AURICEM; its counterpart, Pachicutza-CEM; Mining Services, SERMICEM; and the Mixed Economy Agro-Industrial Company, AGRICEM-Galapagos.

The DINE's increasing activity prompted it to create two new companies last year: Ecotourism, Mixed Economy Company, CEMECOTUR and the Mixed Economy In-Bond Assembly Company, MAQUICEM. In addition, it has kept alive its plan for the construction of a five-star hotel at what is now the Eloy Alfaro Military Academy in

Quito. For this purpose it has signed a contract with the U.S. firm, GRENBIER, with which the company will be established.

Expectations Maintained

The issue of privatizing the Armed Forces' companies will unquestionably keep Ecuadorans in a constant state of expectation.

According to CONAM, this is a difficult task because, at least in the Armed Forces' view, the "strategy" should be different from the common denominator involving shots taken at public enterprises for inefficiency, centralism, deficits, and excessive bureaucracy.

It is true that the optimal financial situation of the Armed Forces' companies originates in the "legacy" that they were able to gain from past dictatorships. Added to this is the fact that their markets have been ensured, based on heavy internal military consumption that has its counterpart in the state budget. However, it is also true that their merits in the realm of efficiency and productivity are more than sufficient.

This is the picture shown by the Armed Forces' business management, concerning which the rationale of the military and civilians will have to be explained. They must have the firm conviction that they may possibly be putting an economic trend, and even the country's democracy, at stake.

Financial Situation of the Army's Industries

Companies	Net Sales	Total Assets	Capital Stock	Company's Net Worth	Rate of Return on Net Worth	No. of Workers
	(in 1,000/sucres)	(in 1,000/sucres)	(in 1,000/sucres)	in 1,000/sucres)	(in percent)	
Own Companies:						
1)FAME	4,591	4,034	1,641	2,278	36.2	570
2)FMSB	1,940	3,284	2,664	2,947	16.5	182
With Participation:						
3)ANDEC	40,941	27,101	15,550	18,478	17.1	481
4)FUNASA	5,488	6,859	5,250	4,606	8.3	229
5)FADEM-CEM	1,745	4,124	1,200	1,818	35.9	231
6)CALINCEM	1,944	1,664	900	533	42.4	85
7)EXPLOCEM	3,622	3,209	1,000	2,473	37.0	77
8)ENIC	1,136	1,257	100	835	13.8	104
9)ISKRAEMEC	3,051	3,143	1,500	2,189	29.3	84
10)OMNIBUS B.B.	74,355	31,376	17,600	18,781	12.4	489
11)ARMCO	3,192	3,683	2,200	2,581	23.6	49
12)ECUACOBRE	5,169	8,420	770	7,105	19.3	160
13)RECORDMOTOR	5,192	2,154	2,700	1,399	64.1	43
14)MARESA	41,194	12,841	2,000	5,290	24.4	362
15)AURICEM	-	529	500	339	No data	30
16)PACHICUTZA	523	330	150	22	No data	9
17)PIJILICEM	-	772	50	346	No data	25
18)ANDEC	-	137	-	-	No data	25
19)AGRICEM	3	292	600	44	No data	14
Total	194,086	115,209	56,325	72,064	-	3,249

Source: Army Industries Directorate, DINE

Paraguay

Government Condemns Self-Coup in Guatemala

PY2705183493 Asuncion ABC COLOR in Spanish 27 May 93 p 19

[Text] The Paraguayan Government has condemned the self inflicted coup in Guatemala and demanded that President Jorge Serrano change his attitude and restore the democratic order in compliance with the Rio Group declaration which our country supports. This was reported yesterday by Foreign Minister Alexis Frutos Vaesken who said: "Self-inflicted coups do not set a good example and we should make efforts prevent them from being imitated."

Early yesterday morning a fax was received at the Foreign Ministry from Santiago, Chile, where the Rio Group pro-tempore secretariat is currently located. This organization said it was awaiting Paraguay's position on the Guatemalan issue. It proposed a draft declaration, adding that if it was not informed otherwise by 1100 it would assume that Paraguay accepted the text of the declaration.

Frutos Vaesken confirmed the receipt of this proposal which, he said, was immediately supported by the Paraguayan Government. He added that the Rio Group declaration condemns the self-inflicted coup "which is considered antidemocratic." According to Frutos Vaesken "they urged President Serrano to change his attitude and restore the democratic order."

Frutos Vaesken said: "We have officially pronounced ourselves through the Rio Group. This is the position of the Paraguayan Government." He announced that all Rio Group foreign ministers have been summoned to meet on 3 June in Washington to discuss the Guatemalan affair.

Names of Wasmosy Cabinet Members Disclosed

PY2705222193 Asuncion NOTICIAS in Spanish 27 May 93 pp 8,9

[Text] First [President-elect Juan Carlos] Wasmosy, and then sources close to him, have disclosed the names of future cabinet members: Chilean Hernan Buchi (former cabinet member in the Pinochet administration) will be

an economic advisor; [former Finance Minister Enzo] Debernardi will again be in the government, as finance minister; [current Agriculture Minister] Raul Torres will continue as agriculture minister; Diogenes Martinez will be the new foreign minister; Wildo Rienzi will be health minister; either Nicanor Duarte or Tito Gonzalez will be appointed education minister; Juan Manuel Morales will be justice and labor minister; ...and the list continues.

Both Juan Carlos Wasmosy himself and a source very close to him disclosed before dawn yesterday the list of cabinet members who will assume power on 15 August.

One of the surprises disclosed by Wasmosy was the appointment of Chilean Hernan Buchi as a government economic advisor. Buchi was finance minister during the (dictatorial) government headed by General Augusto Pinochet and has been singled out as the bulwark of the "Chilean economic miracle." Wasmosy also told journalists who attended a dinner hosted by Nelore breeders that Raul Torres will continue to head the Agriculture Ministry, and that Enzo Debernardi will return to the Finance Ministry.

Moreover, a source close to the president-elect said that the other members of the Wasmosy administration will be as follows: Wildo Rienzi, health minister; Juan Manuel Morales, justice and labor minister; and Federico Zayas, defense minister. There are several names being considered for the MOPC [Public Works Ministry] and the MEC [Education Ministry]. Some names being considered for these posts are Enrique Barrail, Paul Sarubi and Juan Alberto Wenninger for [MOPC]; and for the MEC, Nicanor Duarte Frutos and Sebastian Gonzalez Insfran, who is also being considered for the Integration Ministry. Diogenes Martinez will be foreign relations minister, and Crispiniano Sandoval will head a new ministry (the Economy Ministry) which will be created shortly.

The different government positions were distributed as had been estimated in the past few days. As expected, Carlos Podesta, one of the most influential men in [Colorado Party] Executive Board Chairman Blas N. Riquelme's circle, will be appointed interior minister.

The same thing is happening in the MEC, where the names of Nicanor Duarte Frutos (a [vice president-elect Angel Roberto] Seifart follower), and Sebastian Gonzalez Insfran (a [former Interior Minister Orlando] Machuca Vargas follower) are being considered for this post. According to the same source, Gonzalez Insfran is also being mentioned for the Integration Ministry, while it is more likely that Duarte Frutos will be appointed education minister.

Furthermore, during a meeting held yesterday by the Colorado Party Unity and the Concord [Unidad y Concordia Colorado] faction headed by Sebastian Gonzalez Insfran, it was decided to visit Wasmosy and ask him to respect the agreement on the distribution of government positions established before the presidential campaign by the main Colorado Party groups.

Former Finance Minister Debernardi Declines Cabinet Offer

PY2705223693 Asuncion ULTIMA HORA in Spanish 27 May 93 p 12

[Excerpt] Engineer Enzo Debernardi [finance minister in the Andres Rodriguez administration] told ULTIMA HORA this morning that he has not accepted the offer from Juan Carlos Wasmosy to become finance minister in the next government because of the "stress and wear I went through during my administration as finance minister," from which he had not yet recovered. He also indicated he would prefer to see a younger, modern man and an expert on tax matters in that position.

Debernardi added: "I felt honored to get the offer from Wasmosy to return to the Finance Ministry, but I believe this is not the appropriate time. Therefore, I asked him to free me from that mission. I have accepted in principle, however, being a member of a group of advisers and consultants, that is, people who have no specific executive functions but who can help the government." [passage omitted]

Japan To Grant Financial Aid to Paraguay

PY2705185893 Asuncion NOTICIAS in Spanish 27 May 93 pp 8, 9

[Text] Juan Carlos Wasmosy, the virtual president-elect of the nation, announced yesterday that the Japanese Government will donate more than $20 million to Paraguay for improving rural roads and food production, among other things.

Wasmosy announced this yesterday evening at a meeting of the ANR [National Republican Association-Colorado Party] executive board, following his meeting with Japanese Ambassador to Paraguay Sumio Ono, who—according to unofficial reports—conveyed to him Prime Minister Kiichi Miyazawa's acknowledgement of Wasmosy's victory in the 9 May general election.

Beside congratulating Wasmosy, Miyazawa handed him a note which states that the Japanese Government has decided to grant a small fortune in dollars by way of donations and soft loans with a 30-year maturity.

Wasmosy explained that the donation breaks down as follows: $12.60 million for a rural road improvement scheme, $4 million for small farmers to step up food production in rural settlements, and $318,000 for the purchase of musical instruments for Asuncion.

The soft loans will have a 30-year maturity, a 10-year grace period and will pay 3 percent interest. A loan of $29.40 million will be used to upgrade telecommunications earth stations, another loan totaling $227,000 will be used to buy weather observation equipment for the Alto Parana and Itapua Departments for agricultural purposes, a third loan amounting to $420,000 will be

used to purchase radio frequencies control equipment, and a fourth amounting to $90,000 will be used to buy mapping equipment.

Joint Declaration Issued With Uruguay

PY2705024093 Asuncion PATRIA in Spanish 26 May 93 p 8

[Joint declaration signed by Paraguayan Foreign Minister Alexis Frutos Vaesken and his Uruguayan counterpart, Sergio Abreu Bonilla, at the Foreign Ministry building in Asuncion on 25 May]

[Text] In response to an invitation extended by Alexis Frutos Vaesken, foreign minister of the Republic of Paraguay, Sergio Abreu Bonilla, foreign minister of the Oriental Republic of Uruguay, paid an official visit to Paraguay on 22-25 May 1993.

During their meetings the two minister assessed the international and regional situation and exchanged viewpoints regarding the relationship between their countries.

The meetings developed within the traditional climate of friendship and cooperation, thus confirming the excellent understanding between the two countries. Within this framework the ministers agreed to issue the following joint declaration:

I. Bilateral Relations

1. In the first place they assessed the comprehensive framework within which the relationship is developing, and voiced their satisfaction over the traditional level of friendship and cooperation that historically has characterized the relationship between Paraguay and Uruguay. 2. They reasserted the need for the states to guarantee, within the framework of international law and its inherent duties, respect for agreements to strengthen political and commercial relations. 3. They pointed out the renewed desire to strengthen cooperation between the two parties through mechanisms designed to promote the sustainable development of their countries and fruitful joint actions on a regional and international level. 4. They asserted that Paraguay and Uruguay have completed the transition toward democracy and the consolidation of their institutions. In this sense the Uruguayan foreign minister, in his name and on behalf of the Uruguayan people and government, expressed his wholehearted congratulations over the development of the recent elections in Paraguay, which will certainly contribute to the consolidation of a democratic system in the country and the opening of new paths to progress and well-being for its people. In this sense they noted the participation of a significant number of Uruguayan observers at the elections. 5. They reiterated the desire to implement a Permanent Political Consultations Mechanism [Mecanismo Permanente de Consultas Politicas] between the two foreign ministries, as was agreed upon in the joint declaration signed by the foreign ministries in August 1990. They agreed to point out that this mechanism would be the most effective way to periodically assess the progress made in bilateral relation and to contribute to saguarding the peace and safety of the hemisphere.

6. They agreed that the role played by Congress is necessary in consolidating the foreign relations objectives of the two governments.

They also noted the important role played by the Latin American Parliament in its capacity as a forum for dialogue for the countries of the continent, as well as with other parliaments, such as the European Parliament.

7. They voiced their deep satisfaction over the progress made in bilateral economic relations.

Regarding bilateral trade, they expressed their two governments' interest in efforts to increase free trade and investments, seeking the greatest possible opening of their respective markets.

In this sense they approved the regulations of the Economic Cooperation and Complementation Draft Agreement [Proyecto de Acuerdo de Cooperacion y Complementacion Economica] agreed on during the Uruguayan-Paraguayan Mixed Commission Meeting held on 20 February 1992 in Montevideo. In order to ensure its prompt implementation, they agreed to hold a technical meeting on 2-3 June at the ALADI [Latin American Integration Association] headquarters, for the two countries to analyze the list of products that will be included on the mentioned Economic Cooperation and Complementation Draft Agreement.

Agricultural Development

8. They pointed out the progress in agricultural development achieved within the framework of the supplementary cooperation agreement for the agricultural and livestock fields, which was signed on 14 May 1991, and agreed to continue strengthening cooperation ties in this field as well as in that of agro-industry, particularly with regard to animal and vegetable sanitary control.

They also agreed to ask the two countries' appropriate organizations to study the necessary measures to facilitate bilateral trade of the agricultural products.

9. They emphasized the fundamental role to be played by private initiative in designing and developing different supplementary activities and cooperation at the bilateral level, and expressed satisfaction over agreements reached among the members of the two countries' private sectors.

10. The foreign ministers pointed out the increasing degree of diversification, deepening, and fluidity reached in the two countries' bilateral relations. They also emphasized the importance of the concessions made by Uruguay regarding the ports of Montevideo and Nueva Palmira, thus making it easier for Paraguayan products to reach the sea.

They reaffirmed the support for the full implementation of the integration principles that inspired such advantages, and expressed their firm willingness to maintain, consolidate, and strengthen those ties.

They also agreed to point out the importance to promote, based on pragmatic guidelines, bilateral and multilateral actions seeking the fulfillment of the objectives of the 1969 Brasilia Treaty, especially referring to the idea of facilitating navigation on the rivers that make up the river basin system.

Tourism Circuits

11. They stressed the progress achieved in promoting the development of integrated tourism circuits, a task on which compentent organizations from the two countries have been working since the Tourism Cooperation Agreement signed on 14 May 1991.

They expressed the need to call for an annual meeting of the organizations linked to tourism in order to firm up a specific program that will include short-, medium-, and long-term plans, seeking to contribute to a better knowledge of the two countries.

12. They reaffirmed the significant importance of cultural exchange in building a solid integration between the two nations.

They admitted the importance of creating an education plan to contribute to the implementation of Mercosur [Common Market of the South], and in this regard they agreed to urge members of the Commission created by virtue of the Cultural Exchange Agreement, signed on 18 May 1975, to make an analysis of the possibility of implementing a cooperation strategy on this matter.

They also reaffirmed the need to establish the Paraguayan- Uruguayan Cultural Institute as soon as possible, as agreed upon in the joint communique of the two countries signed on 15 May 1991.

13. The two foreign ministers also stressed their interest in jointly promoting improvements in the process of bibliographical and documentary database system creation, as well as the exchange of bibliographical material and the development of a training program for human resources in the field of information sciences, emphasizing the implementation of new technologies for control and access to information, and in the field of administration and planning of libraries, database networks, and services.

14. They expressed their aspiration to complete the signing of a multilateral agreement concerning the restitution of stolen vehicles, as submitted by the Paraguayan Foreign Ministry to its Southern Cone counterparts. For this they proposed calling a joint meeting of countries of the region, in Asuncion, during the first days of June 1993.

15. They expressed their satisfaction over the signing on 8 October 1992 of the exchange agreement between the Diplomatic and Consular Academy of Paraguay and the Artigas Foreign Service Institute of Uruguay. In relation to this they agreed on the importance of promoting and strengthening ties of cooperation, and in particular of exchanging professors and students between the two institutes.

Regional Cooperation

16. The two parties expressed their support for the proposal of a Common Market of Knowledge, submitted by the government of the Oriental Republic of Uruguay at the OAS, and its goal of creating a flow of cultural, scientific, and technological information to all Latin American countries.

The ministers stressed the need to create a Commission for the Common Market of Knowledge Program, with a membership of the highest level representatives from central science and technology organizations in OAS member countries, to act as a center for the exchange of experience, information, and joint efforts.

The ministers stressed their willingness to cooperate with this commission, which will seek to promote the signing of agreements, within the framework of the Common Market of Knowledge Program, to implement programs and projects financed by special funds administered by the participants in those agreements for the training of human resources and the exchange of information in those areas.

17. The ministers reiterated that they are certain of the full validity of the Mechanism for Consultation and Political Agreement institutionalized by the Rio Group. The ministers confirmed the validity and efficacy of this instrument, which permits member countries to analyze and adopt common policies to face the more important problems affecting regional interests, and which can represent member countries before other important international organizations. The ministers outlined, within this framework, the relevance of the Rio Group-EEC ministers meeting in Copenhagen that ended on 28 April, after achieving significant results. The ministers also agreed on the importance of the upcoming Rio Group meeting in New York and the presidential summit meeting in Santiago, Chile, next October.

18. The ministers reiterated their support for the work of OAS, and expressed the desire to contribute to the XXIII OAS General Assembly in Managua, particularly regarding action programs seeking to strengthen the organization.

19. The ministers expressed their continuous concern for the persistent human right violations in Haiti, and confirmed their interest in continuing work on proposals aimed at reestablishing democracy in that country.

They also reiterated their hope that democratic processes in the region will continue to consolidate

20. The ministers reiterated the importance of ALADI as a regional forum for collective negotiations and as a center for coordinating the numerous and promising existing bilateral and subregional integration and cooperation agreements.

21. The ministers confirmed the importance of the Mercosur, and stressed their two governments' firm determination and commitment to continue progressing in the negotiations seeking to consolidate the integration process. The ministers also stressed the essential role of coordinating member countries' macroeconomic policies.

They recognized the importance of maintaining contacts between Mercosur and Bolivia aimed at materializing the participation of that country in this integration scheme.

22. The ministers expressed satisfaction over the conclusion of the work aimed at implementing the Project for Regional Technical Cooperation with the PNUD [United Nations Development Program] LRA/90/012, which will mean that studies to define the work necessary to improve navigation conditions on the Parana-Paraguay Waterway (Caceres-Nueva Palmira) can be quickly implemented.

The ministers also reiterated their commitment to concluding the studies and taking the necessary steps for the two countries to ratify the River Transport Agreement through the Parana-Paraguay Waterway (Caceres-Nueva Palmira) in order to fulfill established goals.

23. The ministers expressed their total support for the Ibero- American summit meetings held in Guadalajara and Madrid. They ratified their total agreement with the "Document of Conclusions" signed in Madrid on 24 July 1992 during the Second Ibero-American Summit. The ministers also expressed their determination to cooperate for the success of the third summit meeting to be held in Brazil during July of this year.

24. They expressed their renewed support for the principles and dispositions consecrated in the UN and OAS Charters, and reiterated their interest in the proposal of the UN secretary general in the document "Peace Agenda" which will contribute to solving regional problems that could affect world peace.

25. The ministers condemned all forms of racial discrimination in any region of the world.

They reiterated their commitment to doing everything possible, whether it be through laws, education, or training, to guarantee the elimination of racial prejudices.

26. They rejected all terrorist actions as being opposed to the dignity of the human being, democracy, and the state of law. They expressed their special concern over the current link, in some cases, between terrorist and drug trafficking groups.

They also pointed out their deep concern over the increase in illegal narcotics and drug trafficking in Latin America, which affects the stability, economic well-being, and social peace of the peoples of the region. They reasserted their commitment to the struggle against this scourge, in all its stages, through which the specific organizations of their respective countries will continue coordinating actions within the framework of the agreements signed by the two countries on 14 May 1991 and on several other occasions at international forums.

27. They expressed their satisfaction at the results of the UN Conference on the Environment and Development, including the adoption of the Rio Declaration and the signature of the conventions on biodiversity and climatic change, and confirmed their decision to actively work toward the execution of the programs established in Agenda 21.

28. They reiterated the importance of a quick and successful conclusion to the Uruguay round of GATT talks, especially for the remarkable efforts that both Paraguay and Uruguay have made within the growing process of opening their economies.

29. They expressed congratulations for the mutual support granted to the candidacies presented by the two countries in international organizations, reflecting the high degree of understanding and cooperation reached between the two foreign ministries. The Foreign Minister of the Oriental Republic of Uruguay expressed special gratitude for the attention he was given by the Paraguayan Government and people during his stay in the country.

[dated] Asuncion, 25 May 1993.
[signed] Alexis Frutos Vaesken, foreign minister of the Republic of Paraguay; and Sergio Abreu Bonilla, foreign minister of the Oriental Republic of Uruguay.

Peru

Fujimori Identifies 11 Pardoned Army Officers

PA2705152293 Lima Panamericana Television Network in Spanish 1206 GMT 27 May 93

[Text] President Alberto Fujimori said an announcement regarding a pardon for coupist officers would be made by mid-week. True to his word, on 26 May he gave the names of 11 coupist officers who will be released on 29 May. They are part of the 33 military personnel sentenced for their participation in the November coup attempt. Fujimori said this is the first group of coupists to be pardoned and that more names will be announced soon.

[Begin recording] [Fujimori] Just as I said, a resolution announcing a pardon for 11 officers—I do not have their names on hand—has been released. This is the first stage and includes General [name indistinct]

[Unidentified reporter] When will they be released?

[Fujimori] [Words indistinct]

[Reporter] What about Gen. Salinas Sedo [words indistinct]?

[Fujimori] Shining Path and the Tupac Amaru Revolutionary Movement are our common enemies. At some point in their lives, these officers adopted an incorrect position. The repentance law is being applied even to those accused of terrorism. This is a sign of the president's flexibility regarding events that belong in the past.

[Reporter] Why was Gen. Salinas Sedo not considered in this group?

[Fujimori] I will repeat: The process is being carried out in stages. We have included 11 officers in the first stage.

[Reporter] Gen. Salinas Sedo [words indistinct] stability and international opinion, as some people have said?

[Fujimori] I have not made a decision about that yet, but as I said before, it will be done in stages.

[Reporter] Are you considering a sentence reduction for Generals Salinas Sedo and Carmona?

[Fujimori] No, not yet.

[Javier Valle Riestra, Salinas' defense attorney] Partial justice is still injustice. The officers who remain in prison, Gen. Salinas foremost among them, and those who are being pardoned today should have never been sentenced. The military court should have acquitted them because they had not committed any crimes. The Democratic Constituent Congress, if it had been independent and had any civic courage, should have given them amnesty. It should have regarded the action as nonexistent just like in 1945, 1956, and 1963 when new chapters in the country's democratic life were opened. In the end, when no amnesty or acquittal was possible, all of them, particularly Gen. Salinas, should have been pardoned. We are witnessing atypical events legitimized by the Constitution. The decision on whether to pardon them had to do with their attempt at restoring constitutional order, which is no crime. To destroy constitutional order is a crime. Respect for Fujimori would have increased if he had decided to pardon all of them. However, he chose to stay low, but in doing so he ironically exalted Salinas, a man of talent and an orator. The country focuses on that man at a time when political parties are balkanized and their leaderships are in a crisis because he has not been a verbalist. He spoke about the Constitution and democracy, but to him they were not mere words. He is in prison for believing in it.

[Congressman Cesar Fernandez] I have not been told whether the pardon has been granted. If it has, it is always positive. Anything that involves a pardon is always good. Every one of us should have an opportunity to vindicate ourselves. This vindication, however, should be accompanied by contrition and repentance so the violations of the law are not repeated. If the pardon has been granted, I am happy. We should seek out the things that unite us at this very difficult time in the country so we can work together for the good of this community, which so desperately needs responsible Peruvians. We hope many more pardons will come so in this difficult time we can seek not the differences, which are great, but everything that unites us for the good of the country. As long as we are divided, the country will not progress. [end recording]

These are the names of the pardoned officers, all of whom are retired: Division Gen. Jose Pastor Vives, Brigade Gen. Victor Ernesto Obando Salas, Army Colonel Cesar Martinez Uribe Restrepo, Army Col. Victor Elar Granda Guzman, Army Col. Jose Montero Mendez, Army Col. Jaime Gutierrez Tovar, Army Col. Wilder Sanchez Gambini, Army Lieutenant Colonel Pedro Manuel Tello Delgado, Army Lt. Col. Eduardo Percy Solano Pimentel, Army Lt. Col. Enrique Aguilar Belalcazar, and Army Captain Federico Arturo Malaga Rubina.

Yoshiyama on Military Authority in Cantuta Case

PA2705044993 Lima Panamericana Television Network in Spanish 1200 GMT 24 May 93

[Text] The Democratic Constituent Congress [CCD] will respect the independence of the Supreme Council of Military Justice [CSJM] in its investigations into the Cantuta case. CCD President Jaime Yoshiyama affirmed this after demanding greater wisdom by the opposition in addressing the issue. We must avoid any type of intervention, he stressed.

[Begin recording] [Yoshiyama] I would sincerely like to encourage the members of the opposition to be careful about what they say, because I believe it is clear that the Judicial Branch is the only body that can determine if an individual or a group of people suspected of committing a crime are innocent or guilty. That is the first issue, that the Judicial Branch is the only one that can say that. The second issue is that the Cantuta case is being handled by the military justice system. If there is in fact separation of powers, then I believe we must respect the autonomy of the Judicial Branch. The third issue is that the CSJM already has issued a legal resolution, which clearly indicates that it is that branch that is managing the case and, consequently, it excludes the possibility of the defendants coming to the Congress. We would like to state, however, that in our opinion the CSJM is doing a fine job of investigating. Furthermore, we have stated in all forums that there is the political will to get to the bottom of the Cantuta case and all those cases of alleged human rights violations. I have no doubt whatsoever that the CSJM will get to the bottom of this case and find the truth in this case.

[Unidentified reporter] Do you not believe that the congress should discuss the issue of whether or not to support the CSJM investigations?

[Yoshiyama] Actually, we will be discussing the interpretation of the applicable constitutional provisions at the next plenum meeting we hold during the week of 31 May, to determine if these defendants should or should not appear before the congress. The majority opinion,

though, is as follows: Given the fact that there is a legal proceeding already taking place, which is being handled by the military justice system, I think it is important to respect the autonomy of the Judicial Branch. This will probably be discussed at the congress. [end recording]

CCD Committee Passes Several Reforms to Electoral System

PY2705232393 Lima EL PERUANO in Spanish 13 May 93 p A3

[Text] The CCD [Democratic Constituent Congress] Constitution and By-Laws Commission resolved yesterday that decisions taken by the National Bureau for Electoral Processes may be appealed to the National Election Board [JNE].

Enrique Chirinos Soto (Renewal Party), who presided over the debate, was the one who proposed the inclusion of the aforementioned provision.

New Majority-Change 90 had submitted a project whereby the aforementioned bureau would enjoy full autonomy vis-a-vis the JNE.

It must be pointed out that the project under discussion establishes that the JNE is part of the electoral system and that the JNE is vested with the power of overseeing the organization of elections, the exercise of the right to vote, and electoral processes, among other things.

According to the foregoing project, the organization and implementation of electoral processes come under the planning bureau's jurisdiction.

The 1979 Constitution conferred total responsibility for all aspects that have to do with elections on the JNE; it did not provide for well-differentiated levels as the ones specified in the constitutional reform.

During the morning session of the Constitution and By-Laws Committee it was also established that JNE members cannot be younger than 40 nor older than 70 and that they will be elected for a four-year renewable term.

The Committee further approved the repeal of two provisions that allowed the legislative branch to have a say in the removal of JNE members and forbid former JNE members to hold remunerative posts within the government for three years after they cease their functions.

During the evening session, the Committee passed an article whereby the national director of electoral processes will be appointed by the executive branch and confirmed by Congress.

Moreover, the Committee passed other articles concerning the annulment of elections. They provide that whenever the number of null and blank votes exceeds two-thirds of the total number of cast ballots, the JNE may declare that an election is null and void. A proposal submitted by Roger Caceres Velazquez (FNTC) [Frenatraca] on municipal elections was included in the aforementioned articles.

This proposal establishes that the JNE may declare a municipal election null and void whenever none of the candidates receives 20 percent of ballots cast.

Today the Committee will discuss an addition to Article 14 proposed by Carlos Ferrero Costa. This article establishes that the JNE should monitor political parties' primaries.

Venezuela

AD States Position on Appointment of New President

PA2705191493 Caracas Radio Caracas Radio Network in Spanish 1600 GMT 27 May 93

[Report by Karla Spector from the Democratic Action Party National Headquarters in Caracas]

[Text] (Aristides Ostodales), member of the Special National Executive Committee that met on 27 May at the Democratic Action [AD] party headquarters, has declared that AD will not be an obstacle to the election of Octavio Lepage's replacement as the presidency of the nation.

[Begin (Ostodales) recording] It is evident that in Congress there is a majority in favor of deciding as soon as possible how long the president of Congress will act as president of the country, without effecting the temporary nature of the absence of the president, as the Constitution establishes.

Fourth [as heard]. Consequently, AD makes it clear that if this is the will of the majority of Congress, a special congressional meeting should be called at a suitable time to decide on this issue. Our bench in Congress will be present to participate in the election of the person who will follow the president of Congress as acting president of the Republic for the duration of the temporary absence of the president of the Republic. [end recording]

In spite of this decision, AD insists that in line with the Constitution, it is the president of Congress who should act as president of the country for the duration of the absence of the president of the Republic.

Acting President Lepage Speaks on Government Priorities

PA2805020593 Caracas Radio and Television Networks in Spanish 0046 GMT 28 May 98

[Speech by acting Venezuelan President Octavio Lepage: place not given—live; broadcast in progress]

[Text] ...as acting president of the Republic, I feel it is opportune to address the country in these times of confusion. Our first priority is to guarantee the stability

of the democratic institutions, which have given evidence of undeniable strength, thus denying the pessimistic outlooks by some who forecast uncontrollable and catastrophic violence.

The Venezuelan people have once again shown a high degree of civic spirit and democratic maturity. They have not allowed themselves to be carried away by the persistent incitations to disorder and violence. They have upheld an attitude of awaiting with confidence and watchfulness the political agreements required for finding a peaceful solution to this complex situation without harming the principles and norms contemplated in the national Constitution.

It also is a top priority to safeguard economic stability. In order to achieve this goal, without further delay we must engage in diminishing the fiscal deficit, as well as in the progressive reduction of interest rates whose unusual increase is seriously threatening the stability of the enterprises and affecting agricultural production. The pressures that are exerted today over the rates of interest can only be neutralized when the political panorama is clarified. The essential aspects of the economic policies must be maintained, with the understanding that the forthcoming government will have to make the required adjustments for amending those harmful effects that are evident in an objective and unbiased examination of the specific results.

Likewise, it is necessary to ratify the agenda of privatization. The current procedures should continue and we must begin as soon as possible with those that are still in the study phase. This is an opportune time for attaining the required consensus needed for approving several laws that are indispensable in guaranteeing economic stability and strengthening the bases for growth.

It is urgent to approve the special debt law for 1993, the tax laws including the general sales tax and the bank law, the housing policy law, the budget law, and the special debt law for 1994. This agreement must also incorporate the legislative agenda for the petroleum sector that includes the reforms to the current tax law and the approval of the association projects that have been carried out according to Article 5 of the Law on the Nationalization of the Petroleum Industry.

There are some important factors necessary for the tranquillity and calm that the Venezuelans are demanding. These are: A return to an atmosphere of political stability, generated by the decision of the National Congress, and the certainty that during this transition, the country will basically maintain the economic pace that has accompanied its growth in recent years along with a more dynamic implementation of the social programs.

We are in the midst of an electoral campaign for choosing the next president of the Republic. Therefore, there are no excuses of any kind for interrupting or delaying the electoral campaign.

Having been named temporary president of the Republic, I am pleased to do so with care and equity. I reiterate my intimate conviction that the entire country will know how to express appreciation for a prompt decision of choosing the Venezuelan who is to hold this position for the time that is deemed necessary. Good night, fellow countrymen.

Chamber of Deputies Strips Figueredo of Immunity

PA2705213493 Mexico City NOTIMEX in Spanish 1849 GMT 27 May 93

[Text] Caracas, 27 May (NOTIMEX)—The Venezuelan Chamber of Deputies agreed on 27 May to strip legislator and former Minister Reynaldo Figueredo, involved in the embezzlement case that has brought President Carlos Andres Perez to trial, of his immunity.

The extraordinary session of the lower chamber of Congress ruled against the ruling party legislator. Figueredo is now in the hands of the Supreme Court of Justice and will be tried for embezzlement.

Before the voting started, Figueredo, former minister of the presidency in the government of the now suspended Perez, charged that the Supreme Court had violated his right to defense and has left him defenseless because it never informed him of the charges against him.

"Now that the trial is beginning, I hope they will give me all the facts. I have nothing to fear because I have done nothing," Figueredo told reporters.

Before the voting began, Figueredo asked the special commission, which was appointed to analyze his case, to have the 201 legislators that make up the Chamber of Deputies recommend and approve that he be stripped of his immunity so that he can face trial and prove his innocence.

On 26 May the highest ranking members of the Judicial Branch approved the "proceedings' in the trial against Perez and two of his former ministers, thus marking the beginning of historic trial.

The three politicians were accused by the Office of the Prosecutor General of embezzling $17.2 million in 1989, early in the Perez government. The $17.2 million had been approved for secret expenditures of state security.

Meanwhile, for lack of a quorum, the Senate postponed a similar session during which the senators would vote to strip Alejandro Izaguirre, ruling party senator and former interior minister, of his immunity. Izaguirre is also charged with corruption.

Congressional sources said that there is some resistance among the senators, especially opposition senators, to strip Izaguirre of his immunity because his honesty is not in question. Therefore, they are against Izaguirre being tried.

Figuererdo Claims Innocence

PA2805025293 Caracas Venezolana de Television Network in Spanish 2350 GMT 27 May 93

[Text] Deputy Reynaldo Figueredo was stripped of his parliamentary immunity today during a session that had the favorable vote of former Presidency Minister Figueredo himself. As can be recalled, the former minister was accused by the nation's prosecutor general as being one of those persons allegedly responsible for the embezzlement of funds from the secret allocations for state security and defense expenditures. Nevertheless, Figueredo stressed that during his tenure as minister he did not have knowledge of illegal or immoral use of funds from the aforementioned allocations, either by another government official or by himself. Now, once he has been stripped of his parliamentary immunity, Reynaldo Figueredo could be subjected to legal measures, no matter what their origin. These could even include the issuing of an arrest warrant against him. Here is what Figueredo said:

[Begin Figueredo recording] I have trust that impartiality and cooperation will prevail. I trust that this process—which not only has the attention of all Venezuelans but also the public of the hemisphere and of the world—will serve to glorify our nation's justice system. This process should be in strict compliance with the norms of due process and the respect of defense as is upheld in our laws and the [words indistinct] of respect of human rights. [end recording]

Government Issues Decree Ordering Teachers Back to Work

PA2705175193 Caracas Venezolana de Television Network in Spanish 1550 GMT 27 May 93

[Text] The Miraflores Palace has issued a presidential decree ordering teachers to return to work.

Teachers who do not return to work on 31 May will be automatically dismissed. This is what Labor Minister Ruben Rodriguez said a short while ago.

[Begin Rodriguez recording] A considerable amount of teachers throughout the nation returned to work. However, there are some groups of teachers who have not returned to their posts, especially in Caracas and in Aragua State. The government has just approved a back-to-work decree, explaining that as the conflict was resolved by the signing of a collective contract, there is no justification for strikes.

The posts of teachers who are not at work on 31 May at 0700 will be considered deserted. The education minister has been authorized to replace those teachers.

This decision cannot be appealed. For this reason we urge teachers not to be manipulated by illegal calls. Whoever does not agree with the contract because of fundamental or procedural matters, can request it be annulled by the Supreme Court of Justice. They can also file whatever claim they find suitable to courts of justice.

However, if there are internal conflicts in the teachers' unions, this is something that they must resolve according to the statutes of their unions in any way they may find suitable. Teachers must not push the school year of Venezuelan children and young people over a cliff. [end recording]

* Social Security Restructuring, Debt Viewed

93SM0229A Caracas ZETA in Spanish 11 Mar 93 pp 24-25

[Article by Betssy Santistevan]

[Text] Social Security has collapsed in all functions, including the economic one. This means personal tragedy for a great many people, from pensioners to Social Security employees. Here is an analysis of the current economic situation of the Venezuelan Institute of Social Security (IVSS).

After the announcement by Jorge Kamkoff, chairman of the IVSS Restructuring Commission, that the organization is facing a deficit of 57 billion bolivars, the government and the Venezuelan Federation of Associations and Chambers of Commerce and Industry (Fedecamaras) engaged in heated arguments about what was the best solution to the problem. But although the public and private sectors have been hit hard, obviously it is the beneficiaries of Social Security, especially pensioners, who are the most concerned. And even more distressed are the employees of the IVSS, who are afraid they will lose their jobs.

Social Security Bankrupt

Kamkoff's report is simply gloomy: In view of the 57-billion-bolivar "hole," after a long wait the IVSS got the administration to approve a bond issue for 39.918 billion bolivars. It turned out, however, that only 900 million in bonds could be sold. Meanwhile, it has been unable to pay its debts. In addition, retirees are still owed 2.4 billion bolivars in retroactive benefits dating back as far as 1990.

The health care, daily compensation, and forced layoff funds are decapitalized, says Kamkoff, and the pension fund is in serious trouble.

The public sector owes 21.9 billion bolivars to the IVSS, distributed as follows: ministries, 9.5 billion; governor's offices, 2.815 billion; city councils, 1.301 billion; autonomous institutes and state enterprises, 6.792 billion; and, most curiously, Social Security owes itself 1.447 billion bolivars. In addition, the private sector owed 7 billion bolivars in contributions, of which 85 percent has now been paid.

Government Error

The government has admitted that it invested the pension fund poorly, said the chairman of the Restructuring Commission in his statements. It invested 10.28 billion bolivars at 7.93 percent, which does not yield enough to pay pensions amounting to 5.1 billion bolivars. It has also been discovered that the fund's lists include 50,000 people for whom no birthdates have been recorded. Consequently, a census was conducted to determine whether these people met the requirements for retiring.

To save Social Security, the Restructuring Commission decided to increase revenues, and it was hoping that with other factors it would manage to collect 17 billion bolivars; but it only collected 15 billion because it was unable to raise the ceiling on contributions. The idea was to raise the current ceiling of 15,000 bolivars per month to 45,000, but although the administration issued a decree raising the ceiling as of 1 March, it had to change the date to 1 April because of Fedecamaras' threat to pull out of the Restructuring Commission and advise its members to deposit their contributions at regional courts. It should be noted that at present, employees pay 4 percent to Social Security and employers add 9 percent of every paycheck.

As for the bonds, the administration took three months to approve the Credit Law to issue them, and the bill sat in Congress for five months before it was finally passed in November 1992. At any rate, the bonds could not be sold.

The increase in contributions would result in an additional 5.6 billion bolivars, and a different computation system, based on percentages of the minimum wage, would be used for this increase. But once again, Fedecamaras is fiercely opposed to raising contributions, contending that this money will go down the same drain that has swallowed contributions for the last 30 years.

Massive Layoffs

Another burden that is weighing down Social Security is the tremendous number of officials and white- and blue-collar workers who are on its payroll unnecessarily. It is estimated that Social Security should take no fewer than 35,000 people off its payroll, which in turn will create a huge problem with the trade unions.

Cesar Olarte, general secretary of the Confederation of Venezuelan Workers (CTV), suggested that employees be allowed to retire normally if they are over 55, in the case of women, 60 in the case of men, and if they have more than 15 years of service. This would allow for retirement with ordinary benefits. A total of 15,000 people could retire in this way, which would cost 12 billion bolivars. In addition, 8,000 would be eligible for special retirement, but the administration has allocated only 8.5 billion bolivars to pay them. The IVSS also must pay more than 5 billion bolivars in interest on loans, because it did not deposit that money in the retirees' account. Returning to the CTV, according to Cesar Olarte, IVSS employees who do not want their retirement pension could opt to have Social Security pay them double benefits immediately, plus a 40-percent compensation payment that would come out of the budget. The nations's attorney general objected to this proposal, however, on the grounds that retirement pensions cannot be waived.

Cordiplan Proposal

The minister of the Office of Coordination and Planning (Cordiplan), Antonio Juan Sosa, whose office is being advised by a social security agency in the United States, stated that at present employees pay 4 percent of the first 15,000 bolivars in earnings, which in economic terms makes for low revenues. Cordiplan has proposed that the ceiling be raised to 35,000 bolivars in an initial stage, which would yield 5,500 bolivars a month at the same percentage. It says that studies will be conducted later on to find the optimum point that would prevent the future decapitalization of the Pension Fund.

Freddy Rojas Parra, president of Fedecamaras, opposes not only the Cordiplan proposal, but anything that would perpetuate the current IVSS system. He termed "sensible and reasonable" the government's decision to postpone until 1 April the effective date of the decree raising IVSS contributions. Rojas Parra also indicated that "this is nothing more than a political ploy to evade the public sector's long-standing responsibility to the IVSS and to pensioners. Pensioners should not become a political football. We hope the public sector understands that of the three alternatives posed—that is, allowing Social Security to collapse immediately, injecting some financial resources into it so that it may collapse a little later, or turning it into a real fund right now, once and for all—the third alternative is preferable."

* Chavez Frias on MBR Origins, Goals

93SM0247A Caracas EL DIARIO DE CARACAS in Spanish 13 Apr 93 pp 18-19

[Written interview with Lt Col Hugo Chavez Frias by Enrique Rondon Nieto; place and date not given; first six paragraphs are editorial introduction]

[Text] On 27 February 1989, the Bolivarian Revolutionary 200 Movement was established "to lead a civilian and military uprising to take over political power and establish a government of transition." The tensions which had arisen broke down the principle of "total authority" and set aside the strategy, accepted by Army officers as a group, of submissive membership in the officer corps and "blind obedience" to orders.

Justification for an Interview

Until 4 February 1992 Hugo Chavez Frias was unknown to the majority of the civilian population of Venezuela. That day he had an impact, more because of the form rather than the substance of his message. He assumed

responsibility for the attempted coup d'etat against President Carlos Andres Perez. From that moment onward he had many unquestioning admirers who knew little about what he stood for, because Chavez Frias himself has had few opportunities to talk about the movement of which he is a part and its purposes.

In the view of President Perez, this movement was limited to the fact that "...They wanted to kill me," and he has steadily increased the number of adjectives he has used against those who were with Chavez Frias. Other persons, such as David Morales Bello, even asked for the death penalty to punish those involved in this rebellion. These observers were also rather superficial in their judgment when they said that, "They spent 10 years planning this crime."

More than 12 months have gone by, and unrest continues in the armed forces, although official spokespersons may say the contrary. In that atmosphere one of the most critical moments is drawing near: the time when promotions in the armed forces are announced. The process of awarding promotions has been questioned because it involves a great many political and very few military considerations. Gen. Martin Garcia Villasmil referred to the matter in the following words: "...It must be admitted that at times promotions have also been delayed for political reasons, because there has not been much confidence in the loyalty of some members of the armed forces to certain political leaders." (From "Opinion Publica" [Public Opinion], published by Politica Equilibrio [The Politics of Equilibrium], 1973.)

Chavez Frias is a professional military officer, and his thinking resembles that of many other officers. Estrangement and prejudice are two factors which have made it difficult for civilians to understand the reasons for the two attempted coups d'etat. The objective of this interview is to contribute to an understanding of these events. There may be other ways—outside the armed forces—to achieve the goals of the Bolivarian Revolutionary 200 Movement if we exchange views with these military officers.

The questions in the interview were sent to Lt Col Chavez, and he answered in his own tiny but careful handwriting. He only avoided answering one question: the relationship between the 5 July Movement and the MBR-200. We present below the questions asked and his answers in detail, with all of his punctuation, opinions, and adjectives unchanged.

[Enrique Rondon Nieto] Why was the Bolivarian Revolutionary 200 Movement [MBR-200] established?

[Chavez Frias] The origins of the MBR-200 go back to the 1970's, when the schools for training the officers of the Venezuelan Armed Forces began a process of change in the profile of their graduates. In 1991 the "Andres Bello" educational plan began to be used at the Military Academy, as well as its equivalents, the Naval Academy, the Air Force School, and the EFOFAC [Schools for Training Officers of the Armed Forces]. Those schools were raised to a university level, in accordance with the new realities facing the country. The new educational plan aims at really developing a new kind of officer, a process which has expanded and deepened with the passage of time. Its effects covered the base of the pyramid of the officer corps, extending even to other professional training institutions such as the CEFOE (Special Training Course for Army Officers), the BAFORE (Training Battalion for Reserve Officers), and the technical schools for professional, career, noncommissioned officers.

A decade later, in the 1980's, a group of us officers decided to establish a movement within the Army, as we felt that we were now an indivisible part of the national tragedy. Our objectives were fundamentally limited to the Army, although we did not lose sight of the national and international scene. That was how the Bolivarian 200 Army [EB-200] was established in the Aragaua Regiment of Paratroopers in Maracay on 17 December 1982, during the bicentennial anniversary of the birth of Simon Bolivar. During those first few years our efforts were more open than clandestine, since they involved making suggestions for discussion on the ideology of Bolivar and the vital problems which then affected our armed forces.

Nevertheless, by the end of the 1980's most of us had convinced ourselves that the solution to the serious defects existing in the armed forces was not to be found within the services themselves. Rather, these defects were part of the terrible political, economic, and social crisis which was undermining the structure of the political system. In February and March 1989, the uprising among the people, known around the world as "The Caracas Affair," dealt a serious blow to our consciences and souls as soldiers of the people. Then the terrible realities confronted us with a dramatic alternative affecting our very existence: either we could continue to be a praetorian guard serving an illegitimate system or we could take the course contained in the National Constitution itself in Articles 132 and 250, in accordance with which we should break onto the political stage.

Then the EB-200 evolved into the Bolivarian Revolutionary 200 Movement (MBR-200) to lead a civilian and military uprising to take over political power and establish a government of transition which would lay down the foundations for the process of structural change which the country needed.

Many men and women, both civilian and military, contributed the best years of their youth to the organization of our movement, which now belongs to the entire people of Venezuela and our hopes for the future.

We felt that we were a part of the forces of change which have begun a great offensive against the old government system and we will continue to take part in the battle which will finally bring down oppression and make rebuilding our country possible.

The conditions which marked the birth of MBR-200 still exist and are more substantial than ever. The reason for the establishment of MBR-200 and the objectives sought continue to be the same. That means, quite simply, that the Venezuelan people will have to count on the Bolivarian Revolutionary 200 Movement to continue progress toward the victories which have already been indicated by the explosive awakening of our people.

[Enrique Rondon Nieto] Why did you not try to escape on 27 November, when you had every opportunity to do so?

[Chavez Frias] In fact, we had no opportunity to escape from Yare Penitentiary. On the morning of 27 November, when a coup d'etat had already begun in Caracas and Maracay, a commando group began an attack against the penitentiary where we were being held, but under conditions very much worse than those which had been anticipated, due to a leak of information which occurred on the evening of 26 November. This led to the mobilization of many Army units.

Yes, we had our field uniforms on and were ready to leave until well into the evening of 27 November, when we concluded that the operation had failed.

In any case, if we had succeeded in leaving the penitentiary, that should not have been considered an escape. Rather, it would have been a return to our posts of duty in the struggle, to which, sooner or later, we will return some day.

[Enrique Rondon Nieto] Do you support extending amnesty to those who participated in the 4 February and 27 November affairs?

[Chavez Frias] Since February 1992 the people of Venezuela have called for our release. In March 1992 a proposal to this effect was introduced in the "sovereign" Congress of the Republic, where it has been pigeonholed for a year.

Recently, several members of Congress have raised the matter again and have promised to introduce a special amnesty bill, based on Article 139 of the Constitution.

I do not have the slightest doubt that all of us officers, noncommissioned officers, and civilians who are behind bars would have been free for some time now, if sovereignty in Venezuela lay in the hands of the people and if the various branches of the government were independent. However, we all know that the dominant groups which we face exercise their control in particular over all structures of the system which they have undermined.

Now, we should be aware that the dominant groups know what they are doing very well. At the very instant when the situation becomes impossible for them, when they see themselves faced with a limit, beyond which their historic graves await them, then voices calling for an amnesty will come from them. Already some of their representatives have come forward in view of the sudden acceleration in the situation facing the nation.

It is easy to distinguish between petitions for amnesty coming from the dominant group and those coming from the people and from the political forces which advocate a change in the system. The latter proposals for amnesty will demand that all of us in the military establishment should be restored to our positions in the various forces. The former proposals will be filled with terror at such a possibility.

Regarding my own point of view, I should tell you that not only do I support an amnesty which will bring our comrades back to the ranks but we are also prepared to fight for an amnesty in every area possible.

This is in spite of the fact that it is necessary, in this connection, to clarify two aspects which affect the substance of the process. The first one deals with the very fact of the uprising. Neither the uprising of 4 February nor that of 27 November was a crime in any sense, since we civilians and military personnel who took part in them were faithful to our oaths of office and our constitutional duties. So who has to pardon whom? In the second place we know that the word "amnesty" comes from the word "amnesia," which means "to forget." What, how, and when should we "forget"?

I think that this word is absolutely impertinent in terms of the national drama we are going through and regarding those of us who are actors in this tremendous, historic struggle.

Voting Is Hardly an Element

[Enrique Rondon Nieto] Will you ask for a discharge from the armed forces to devote yourself fully to political life?

[Chavez Frias] We Venezuelan soldiers have been victims of a terrible act which has torn us apart. Those who planned and carried out this act are the very people who, by calling themselves the "political class," have given this term a meaning which has reduced its significance.

Every man begins to be a politician, in the exact sense of the term, at the very instant when he commits his thoughts and actions to the struggle of all human beings to claim their very essence. From such a point of view and for some time we of the new generations of Venezuelan soldiers have been acting in a political way in support of the cause of the people. Meanwhile, the top-ranking, military elite was becoming a group of pathetic, professional, political hacks, at the service of the political parties and those elements of the oligarchy which manipulate them as they wish.

We military officers on active service cannot be condemned to live with our backs turned to national realities, in the name of a cheap and twisted variety of "politics." A soldier should have a voice and a vote in the life of the nation, in the office where he spends his daily life, in planning his future development, and in changing direction, which periodically is required. Such objectives are included in our struggle program, and we will not turn back from the effort to ensure for our

comrades in arms the right to exist in the total sense of what a human being deserves.

And as far as I am concerned, I do not wish to leave the Army. However, if the way in which this process evolves should require me to take off my military uniform, I will not in any way dedicate myself to the degraded and degrading politics of the political parties, whose shameful activities involve falsifying reality, instead of pressing for the necessary, structural changes to bring victory to those who have always been subject to the domination of others.

From now on, whatever happens, whether in uniform or not, my commitment to the Venezuelan people is irrevocable, in the collective struggle which we must carry on to conquer tragedy and make utopia possible. And this implies eminently political thought and action.

[Enrique Rondon Nieto] Do you support giving the right to vote to military personnel?

[Chavez Frias] Well, certainly. I already said so in my previous answer. However, to clarify the problem, I also believe that this would not be appropriate until such time as fundamental changes are made in the present, political system.

On the one hand we need an authentic kind of democracy, outside the exclusivist and domineering framework of the political parties, which day by day have succeeded in gaining control and neutralizing all of the channels of participation. Giving the right to vote to military personnel within the system of political parties which dominates us at present would involve providing them with new ways of manipulating the military, since the political parties would not take long to sink their claws deep into the officer corps, using for this purpose the legions of generals who presently serve the political preferences of the "status quo."

In the second place,it is essential to define a new type of civilian and military relationship in which the boundaries are set out clearly between the necessary autonomy of the military profession and its proper subordination to the political structure. In this complex field of definitions the right to vote is merely one element in the model of this relationship.

Let us take as examples two extreme cases. One of them is an Army captain who is serving as the commander of a remote garrison, such as the town of Puerto Paez, in the State of Apure. Why can he not have a voice and vote in the decisions of the local government which affect the security and defense of those far off border areas?

Another is the case of a major general who is the head of the Permanent Secretariat of the National Security and Defense Council. Could he not have a voice and vote when decisions are made regarding the dispute between Colombia and Venezuela and also take an active part in strategic planning for the use of the national military potential? As we can see, the problem requires a view of the situation as a whole and a model of the civilian and military relationships to be established. This should be the result of a broad ranging discussion involving all elements in the country, including, of course, the military.

We military officers should have a place within a truly democratic system. We do not want to continue being "strong, silent types."

[Enrique Rondon Nieto] If military personnel had the right to vote, would there be tensions like those which presently exist?

[Chavez Frias] Of course they would exist. Saying the contrary would be ignoring the depth of the crisis.

A long time ago in Venezuela a dreadful scheme of domination and exploitation was revealed, in a society deeply marked by class differences. On 27 February 1989, this reality was completely unmasked, and its effect speeded up the dizzying pace of the process of disintegration which had begun in the 1970's among those elements making up the government and particularly within the armed forces.

This is recent history which cannot be simplified. The high command, to use a military term, had long previously lost "step in conducting its march," in addition to having lined up with the bastard ranks of those who have trampled on and raped the national interest as they saw fit.

On the other hand, the mass of the armed forces continues marching to the tune of their song, "Our blood is the sap of the people."

The resulting tensions broke down the principle of "total authority" and set aside the strategy of submissive membership in the officer corps and "blind obedience" to a group of generals and admirals who in no way represent the feelings of senior and unionist officers. Neither do they represent the feelings of noncommissioned officers, and still less, the troops.

The results can be seen: disobedience, insubordination, desertion—and rebellion!

As we have seen, the problem is structural. Therefore, it requires structural solutions.

The Uniform Which Ensured Automatic Obedience Is Gone

[Enrique Rondon Nieto] What was the meaning of the 4 February and the 27 November affairs?

[Chavez Frias] Before anything else these events restored the primary role, the birth certificate, as it were, of the Venezuelan Armed Forces, as contained in the thinking of Gen Simon Bolivar, our greatest leader, when he said: "I follow the glorious career of arms, only to win the honor which they give, to liberate my fatherland, and to deserve the blessings of our peoples."

Or when, in his last proclamation, he ordered us as "...soldiers to take up our swords in the defense of social guarantees."

Furthermore, the 4 February affair closed a cycle, and the 27 November affair placed its seal on it. This cycle was begun two decades before, when immense contradictions were developing within the Venezuelan Armed Forces. More than a few generals have said that during this time we created factionalism and divisions within the armed forces. Some said this out of ignorance. Most of them said it out of stupidity. To put it simply, they could no longer continue to hide what had existed for a number of years: the demystification of the authoritarian and Prussian style "spirit of corps" [in English in the text].

The uniform was gone which ensured automatic obedience to the hidden relationships of domination. Ideological manipulation, which kept Venezuelan soldiers in the sad condition of cripples, had been torn to pieces.

Finally, after the events of 4 February 1992, the Venezuelan Armed Forces will never be the same again, either in their relationships with other, established elements of society or in their internal, organizational, and ideological structures. The purge undertaken by the government and the high command will lead nowhere. It can only slow down the future processes of change.

A new, Bolivarian Armed Force is rising as the 21st century dawns. No one can stop it!

[Enrique Rondon Nieto] What is your view of the most recent events which have stirred public opinion and which directly affect the various branches of the government?

[Chavez Frias] I believe that we are reaching the limits of "possible coexistence." Existing tensions have become so strong that they are activating the machinery for the maintenance of the governing system.

In a single day (Thursday, 11 March) the highest officials of the three branches of the government were shaken. The attorney general of the Republic requested a prior judgment on the merits of the case on behalf of the president before the Supreme Court. For its part the court voided the extraordinary judgment ordered by President Perez against those who participated in the 27 November affair. And several members of Congress booed President Carlos Andres Perez. A crowd threw stones at him and kept him from walking through the streets.

We may observe that all of these actions of major significance had a common objective: Carlos Andres Perez.

There are those who have come forward to propose designating 11 March as a "holiday" for the Republic. Nevertheless, those of us, from various backgrounds, who are fighting to bring about the major social, political, and economic changes which the nation requires should not be in a hurry, nor should we allow ourselves to be trapped into excessive optimism in view of these developments.

A maneuver to distract attention, aimed at removing President Perez from power so that nothing will change, may be under way.

For example, let us ask ourselves the following: is it not the same Supreme Court, dominated by AD [Democratic Action] and COPEI [Social Christian Party], which automatically condemned the events of 4 February? And is it not the same Supreme Court which, after so long a time, has still not decided on the request for a prior judgment on the merits for former President Lusinchi?

And Congress, which should move forward on the so-called request for a prior judgment—is this not the same body which rejected the recall referendum and the proposal for a Constituent Assembly?

We are convinced that that is not the way to a solution of the crisis. It could be a dead-end street which would lock us even more inextricably in this labyrinth.

In any case changes should be demanded by the people in the streets, since nothing gives us confidence in those who call themselves their "representatives." We, the people of Venezuela, should assume the leading role in the coming struggle. There we have the example of the courageous student youth, who continue to bathe the streets of Venezuela with their blood.

And there is a tragicomic note on the scene, for we cannot call the military high command anything else. It displays a "Prussian" attitude publicly and denies what is clear to everyone, assuring us that "everything is under control" and calling for "the defense of the democratic system." They say this now when they should simply speak up and cleanse their military honor.

But does this not cause them shame, either before their children or their grandchildren?

The only thing which we can say in their defense is to give them the benefit of saying that they are acting out of the most complete ignorance. In that connection nothing is better than the phrase of Jesus Christ, whipped and in torment, when he said: "Lord, forgive them, for they know not what they do."

[Enrique Rondon Nieto] So what solutions does MBR-200 suggest for the country?

[Chavez Frias] Our proposal is the same as the one we presented to the nation on 4 February 1992. The only way of regaining our balance is through a civilian and military government of transition which will bring an end to this farce which is sinking the people of Venezuela in tragedy.

An emergency government should open the way so that new forces and new actors will lead the process of change, putting real sovereignty into effect, providing

justice to the majority of the people, and taking harsh action to reestablish civic morality.

A National Constituent Assembly with full sovereign powers should replace the Congress of the Republic. It would stand for democracy and establish the political and juridical framework to serve as a basis for the development of the country in the future and which has already been taking form in the minds of the Venezuelan people.

The Constituent Assembly should sponsor a frank, national discussion about the kind of country which we need, a democratic state consisting of five branches (including the branches of Morality and Elections, which have deep resonance in the writings of Bolivar), and a free people, taking part in the process and leading the way.

This is a brief concept. It is our view of the most viable choices to move away from the present crisis.

We Do Not Advocate or Propose a Classic, Military Government

[Enrique Rondon Nieto] Is there a possibility of a new coup d'etat?

[Chavez Frias] This possibility dominates the political scene, now more than ever. But the dominant classes should know that if they are thinking of using this way to protect their interests while they continue to exploit the Venezuelan people, the great majority of us professional, military people are not going to continue to act as their protectors.

We will continue to defend our positions on the side of hope, for our commitment is in accordance with the needs of the nation, with those who have been marginalized by history.

A solution by force is in the air with greater intensity than ever. MBR-200 has deep roots in the barracks of the armed forces, with the arms of the people within its reach. But our purpose is not to exchange a civilian for a military dictatorship. Rather, it is to set in motion a steamroller which will make the Venezuelan people the leaders of the revolution of Bolivar, Robinson, and Zamora.

[Enrique Rondon Nieto] What do you think of the possible intervention of the United States if a military government is established?

[Chavez Frias] The first thing which should be said is that we do not seek nor are we proposing a classical, military government, but rather a civilian and military, transitional model. Furthermore, we respect the people and government of the United States, as we respect all of the countries of South America and of the Western Hemisphere. We declare ourselves firm supporters of the principle of the self-determination of peoples. Now, since the 4 February incident they are trying to frighten us with "the ugly nightmare" of a North American invasion.

In this sense the view expressed to the secretary general of the OAS [Organization of American States] by Rear Admiral Hernan Gruber Odreman summarizes the feelings of the great majority of Venezuelan military people. That is, both the government of the United States as well as the OAS should be careful about giving unconditional support to governments like that of Carlos Andres Perez, which are marked by corruption and involved in the narcotics traffic.

The change in this area which the Democratic Party administration of Bill Clinton has recently announced is very encouraging. He stated that the United States cannot continue imposing decisions by force on Latin America.

[Enrique Rondon Nieto] What is your view of the elections scheduled for December 1993?

[Chavez Frias] The Venezuelan electoral system is made in the image and likeness of the political system which it serves.

What happened in Venezuela in 1992, observed by everyone, provides absolute evidence of the objectives of both systems, created by the political parties to ensure their hegemony in all areas of the government.

On the other hand, a true democracy must have an electoral system which provides broad channels of participation to civilian society, thereby making a break with the domination of the system by the political parties.

The result is that, as long as the present system is not changed, what the electoral process does is to cover with false legitimacy this dictatorship of political parties which have wandered from the right path.

In this sense, included among the proposals of MBR-200 and contained in the "Simon Bolivar" National Project, is the establishment of the Electoral Branch of the government, whose human component should be the result of direct, popular elections.

There are barely eight months left before the elections in December 1993. But what a view you have when you reach the top of the hill!

* Caracas City Council Approves Municipal Budget

93SM0230A Caracas EL UNIVERSAL in Spanish 1 Apr 93 p 16 Section 1

[Article by Antonio Fernandez Nays]

[Text] This year's municipal budget, which totals 10.5 billion bolivars, was passed in final form yesterday by the Caracas city council after one last debate on the appropriations for public works and advertising; a debate in which the white and orange blocs raised serious objections.

The various area directors of the capital city government also presented the different categories in which municipal monies will be spent. The leading ones were appropriations for social development, 1.058 billion bolivars; investments in public works, close to 1.5 billion; conservation and maintenance, 1.27 billion; and cultural programs, 250 million bolivars.

Lucas Pou, the general manager of Municipal Works, stated that the appropriations and projects in his sector were decided on the basis of the estimated economic needs of each district, its population, and the needs that were conveyed to him through the series of meetings that were held with residents.

He reported that the projects budget was drafted on the basis of generic allocations for embankments, environmental cleanup, neighborhood consolidation programs, and roads. At the same time he said that "it is not possible to specify which individual works will be undertaken because the new guideline concerns projects."

As far as Pou is concerned, the new strategy to be pursued by the Municipal Works team should be based on a change in orientation and management, so that what used to be done on a purely case-by-case basis is now the result of studies and planning for the projects that the city needs.

"The previous management worked primarily with contingency plans, not projects; that is to say, it reacted as flaws and needs arose. Therefore I feel that allocating 100 million for projects represents a fundamental change," the city official stated.

Lucas Pou went on to say that a registry of companies would be started in order to democratize the execution of projects. This will prevent contracts from being awarded sight unseen, "which was done with groups of individual builders, who benefited from the 'grants' that the city government handed out, thus concentrating the commitment in a few hands."

Nevertheless, in spite of the apparent good intentions of the director of Municipal Works, this year only the building projects started by the previous administration will be continued, and the programs that have been left in place since then will be improved. This decision, Pou argued, was prompted by the city's urgent needs in this regard and the time that must be taken for the urban-planning studies that are to be conducted in Caracas. These studies involve the support of the Central University of Venezuela.

Thus, the 50 or so pending projects will be continued, among them the San Jose sports complex and Risquez Hospital. Meanwhile, projects will be started up to solve the problems confronting marginalized areas.

"We do not plan to undertake fewer projects than last year. Moreover, we have to modernize the procedures for awarding project contracts, because they are very slow. So we will ask the mayor's office and the comptroller's office to look into the contracting procedures."

"As the system becomes computerized," Pou remarked, "there will be less possibility of corruption."

Social Development

Sociologist Maria Cristina Iglesias, the director of the social development area of the mayor's office, revealed that 90 percent of the funding for her sector would be earmarked for preschool child care, what has come to be known as the day care center program.

Iglesias asserted that this program would not be ended, as has been rumored, but on the contrary would be consolidated and streamlined to enhance its quality through assessment procedures that will be sponsored by UNICEF and coordinated by the Pedagogical Institute of Caracas, along with other institutions and representatives of the communities.

According to the director of social development, some people have complained that children are being mistreated, poorly fed, and poorly cared for, thus revealing the negative side of the program. In her judgment, however, an honest, "open-door" evaluation will assure that the necessary improvements are made.

Another of the projects that this city office will undertake is the restoration of urban spaces through athletic and cultural programs pursued through Fundarte and other sports agencies.

Neighborhood lectures will also be given to educate local residents about their constitutional rights; the Attorney General's Office will serve as a consultant for these lectures. The social development projects also include the development of information systems to involve the citizenry in the activities that are pursued in their communities. In this regard, the development of alternative journalism is on tap in several districts.

"The important thing," Iglesias emphasized, "is not so much the result as the process that is gotten under way in the communities, because it will establish a way of doing things. For example, the program of Youth and Women's Houses ran its course because of inconsistency, because they were uncoordinated initiatives. Accordingly, we will build People's Houses because we realize that the projects have to be comprehensive."

This project will also involve programs to support the low-income sector by promoting micro-businesses and through the consumption-cooperatives project that will be carried forward with the workshops that Inmerca and the operating companies are giving.

Conservation and Maintenance

The office of conservation and maintenance, which is headed by Henry Pena, received a total appropriation of 1.27 billion bolivars. The breakdown is as follows: 415 million for social services projects; 565 million for

personnel expenditures; 77.5 million for equipment purchases; 100 million for the transfers that are being negotiated for the street lighting project; and 92.5 million for the purchase of work equipment.

Henry Pena reported that one of his most important tasks is to overhaul the internal administration by straightening out the payroll and payments to contractors and suppliers, aside from repairing and maintaining the infrastructure that belongs to the city.

He said that the green areas (all of them except Oeste, El Pinar, and Caricuao parks) would be restored through community involvement. He also reported that work would begin on plazas and green areas as soon as the rainy season begins in order to avoid using water hauled in by tank truck.

The service projects that this office will undertake are the following: pothole filling and paving; cleaning and maintenance of streams; road drainage; sewers; leveling; improvements in sports infrastructure and public buildings; rubble cleanup; cleaning of streams and channels; plant disease control; and repair of sidewalks and curbs.

Culture

The cultural sector receives 250 million bolivars in this budget. According to the report by Tulio Hernandez, the president of Fundarte, the cultural policymaking body in the municipality, its efforts will aim at decentralization with heavy investments in the district houses to establish a sound infrastructure and consolidate the boards that organize artistic activities.

The cultural projects, Hernandez commented, include the restoration of the city's abandoned movie houses and theaters. The appropriation decided on by the city council also applies to other institutions such as the Municipal Symphony Orchestra, the Dance Institute, the Music School, and the City Government's Culture Commission.

Fundarte has a new board of directors, consisting of Esteban Araujo, Cruz Hernandez, Douglas Loyo, Antonio Llerandi, Luis Molina, Graciela Pantin, Carmen Raia, Roberto Rodriguez, Francisco Sesto, Gladis Cesarano, and Tulio Hernandez. In the words of its chairman, "rather than acting like a ministry, it must coordinate resources, and therefore the organization must be adapted to a functional approach."

* Party Positions on Electoral Reform Reviewed

93SM0229B Caracas EL NACIONAL in Spanish
5 Apr 93 p D4

[Article by Ascension Reyes R.]

[Text] The citizenry is still struggling to become better acquainted with those who represent them, both in the Congress of the Republic and in the Legislative Assemblies. Indeed, one of the most controversial points in the efforts to reform the Organic Law on Voting Rights is the system for selecting these "representatives of the people" (the redundancy is appropriate).

There is still disagreement about whether there should be single-member districts, party-list districts, or closed slates. Nothing has been decided for certain so far, and as is usually the case, the political parties and, to a lesser extent, groups of voters are battling to impose their own ideas. Some of these ideas are not very clear, and others ignore provisions of the national Constitution, which has not yet been amended. That is why we cannot lose sight of the fact that to remain within constitutional bounds, the principle of proportional representation of minorities in deliberative bodies must be maintained.

Some parties and political organizations have advocated single-member districts as a panacea that would cure all of Venezuela's ills. Others question the value of this method, either for the political parties or for the voters themselves. So far Venezuela has had practically no experience with this system. The current Voting Rights Law provides for 50 percent of parliamentarians—deputies—and members of the Legislative Assemblies to be elected in single-member districts and 50 percent by proportional representation of minorities. Given Venezuela's political spectrum, this amounts to choosing representatives proposed by a party on a closed list, and in fact this method has really not been applied in the country in these cases. It has been used only in the selection of city council members.

In the most recent election, 6 December of last year, this single-member method of electing representatives was used after a hasty amendment to the law was pushed through the previous May. Not everyone would say they benefited from it. For example, in what is known as the metropolitan area, only one group of voters in a neighborhood movement came out ahead. Another example can be seen in the municipality of Baruta, where Citizen Decision won a victory. Still another example that serves to illustrate some observations about the single-member method is the victory of Cause R in Caracas. With the election of the mayor, this party "swept" nearly the entire list of council members, and yet it still does not advocate single-member districts exclusively.

The debate on the pros and cons of the single-member system is shaking up Venezuelan politics, and the next battlefield will be the Chamber of Deputies, when the first discussion of electoral reform will begin this month. The bill has been sent over by the Senate, which has already approved a system whereby 50 percent of deputies to Congress and to the Legislative Assemblies would be chosen in single-member districts and 50 percent would be elected by proportional representation of minorities. Thus, the Senate did not modify existing law, nor did it change the provisions governing the election of senators, who will still be chosen by means of closed slates listing blocs of candidates.

Different Positions, Political Situation

Let us begin with the position maintained by the Democratic Action (AD) group, which has said until now that this is its final position. The AD delegation intends to "stick to its guns" in insisting on 50 percent for single-member districts and 50 percent proportional representation of minorities. High-ranking parliamentarians and some members of the National Executive Committee (CEN) insist that there will be no change in their stance, contradicting President Carlos Andres Perez, who claims that the party should not "fear a pure single-member approach." Nevertheless, some political adversaries are already predicting that the party will change its position, because in this election year it has become almost a point of honor for many voters to fight to win the right to elect their representatives in single-member districts. Given this circumstance, AD, which has come under such heavy fire in recent times, could change its views to avoid paying such a high political cost.

Single-Member Districts: The "Bogeyman" of the Parties

The Social Christian Party (COPEI), meanwhile, will go on the warpath again with its proposal to increase the single-member percentage to 60 and reduce to 334 [as published] percent the amount corresponding to proportional representation of minorities, or lists.

COPEI's parliamentary leader, Haydee Castillo, explained the party's position, saying that "AD gives the impression that it fails to understand the country's desire to revamp the electoral system, as other things in Venezuela need to be revamped."

"Electoral reform includes amending the Organic Law on Voting Rights by providing for as much single-member-district voting as the Constitution will allow. The Constitution states that there should be proportional representation of minorities. Some of us favor the idea of pure single-member districts, not as a party, but as individuals; because we are realistic enough to know that we must pass a law that adheres to the Constitution, but at the same time we can hear the country's hue and cry. Moreover, we believe that the single-member system would be a refreshing change in Venezuelan political and electoral life."

She pointed out that many people mistakenly believe that voting in single-member districts would deprive the parties of autonomy or take away the authority of party leaders. She believes, on the contrary, that the parties would be reinforced by being more in touch with what the rank and file are thinking, "and that would come from having single-member districts. The election of a majority of deputies this way would tell the party leadership what the rank and file really want."

She acknowledges that in the beginning there would be errors, and the deputies elected might not be the best possible ones, "but that happens with the current system, as well."

She emphasized that the goal is to have the greatest possible participation of the community in choosing representatives, and above all to enable voters to hold their deputies accountable, by name, for meeting the needs of their constituents.

"That is where I see that we will have some people who probably will not be able to meet expectations. In the next round of voting, then, the people will correct those errors."

In her analysis of the political situation in the lower house, Haydee Castillo indicated that it is different from that of the Senate, where AD, COPEI, and the Movement Toward Socialism (MAS) have the deciding votes. In the Chamber of Deputies, there are many more voices, and some of the deputies may consider that they practically have a single-member district.

She rejected the argument that the single-member system could be detrimental to minority parties, to the point that some would cease to exist. In her opinion, minority parties are on the rise. She added that their survival is guaranteed, because the Constitution provides for them. She repeated that the parties have nothing to fear from the single-member system.

She also discounted the notion that party lists are necessary to make room for the experts in various areas. She commented that there is room in proportional representation for these valuable individuals to be included if Congress and the nation want them.

Open Lists

The position of the MAS is also immutable. It will insist that both senators and deputies to Congress and the Legislative Assemblies be chosen from open lists, arguing that this is the most democratic system for allowing candidates to be selected by name. The single-member method fits the bill.

Cause R also shares this view, as stated by Deputy Ali Rodriguez. He indicated that the Constitution will have to be amended if an exclusive single-member system is to be implemented. He noted that choosing candidates from slates that are not closed or written in blocs is feasible with automated balloting.

Seventy-Five Percent Single-Member

The National Integrity Movement (MIN), according to Gonzalo Perez Hernandez, is advocating that 75 percent of representatives be chosen in single-member districts, in opposition to the "power elite" who want to keep single-member voting to 50 percent and reserve the rest for party lists. Although at first glance this position may appear to coincide with COPEI's, Perez Hernandez is critical of COPEI's stance because it allows for party lists to remain.

He noted that if the proportion of single-member districts were to increase, the leadership of the parties

would no longer be able to make Congress and the Legislative Assemblies dance to their tune.

"It is obvious that if you vote for candidates by name and on their merits, when they are elected they will have to make some effort to fulfill their promises to the constituents, and the imposition of the party line cannot be prevented [as published]."

Perez Hernandez goes even further in his proposal, saying that senators should also be elected in single-member districts. His idea is that anyone who wants to go to parliament should show his face and go out after votes, even in the case of proportional representation of minorities.

Absolute

German Febres, parliamentary leader of New Democratic Generation, says that his group will fight for pure single-member districts, that is, for 100 percent of parliamentarians to be elected in such districts.

He also stressed how necessary and beneficial mechanized balloting is, noting that the electoral system would be more efficient with mechanized voting and ballot counting. His group also believes that the Supreme Council should be made up of true independents, and it should include representatives of the National Armed Forces (FAN) and the church.

* Hausmann on Investment, Military Spending

93SM0229C Caracas EL UNIVERSAL in Spanish 3 Apr 93 p 1 Section 2

[Article by Omar Lugo]

[Text] Ricardo Hausmann, minister of the Office of Coordination and Planning (Cordiplan), explained that in the adjustments made to the Umbrella Law, or omnibus indebtedness bill, no real cuts were made in military investment spending. The confusion arose because of an error in interpretation, he said, and the situation has already been cleared up with Defense Minister Ivan Dario Jimenez Sanchez and Chamber of Deputies President Jose Rodriguez Iturbe.

"Because of the delay in passing this omnibus indebtedness bill, there will be less indebtedness," explained the minister of economic planning.

The Umbrella Law requires that every year, when the budget is presented, all borrowing needs associated with the execution of budgeted spending must be set forth and documented once and for all, to avoid later additional loans that would become a parallel budget. For this year, the administration had originally asked Congress for authorization to enter into public credit contracts amounting to some 370 billion bolivars. Various sources, including the Central Bank and the government itself, agreed that this amount should be reduced because the domestic economy would not be able to bear that level of indebtedness and it would have additional inflationary effects. It was decided to reduce the amount by at least 130 billion bolivars, and now the administration, along with Congress, is studying which programs should have to make the 71 billion bolivars in cuts recommended by the economic cabinet department.

"The amount to be contracted this year is the same (about $500 million), but with the delay in passing the law, these disbursements need to be rescheduled. This lag translates into less net indebtedness for this year, because spending will be lower," explained Hausmann, noting that other projects have been reduced or eliminated. One such project is the electronic fingerprint processing system requested by the Ministry of Domestic Relations for the Supreme Electoral Council, which would require $40 million over a period of several years. This year's spending would have been $16 million, and Congress will have to decide whether to carry it out.

"The contract for refitting the frigates comes under the Umbrella Law, with the amount for the entire year being $300 million," explained Hausmann. He recalled that the Umbrella Law was supposed to take effect in January, and the delay has resulted in a reduction of 71 billion bolivars in the overall amount. The execution for this year has simply been corrected. Many programs, such as military investment, have multiyear terms, and it is assumed, according to Hausmann's explanation, that some spending not carried out this year because of the delay in passing the law could be transferred to next year, when a new Umbrella Law is passed with a new net indebtedness total.

Hausmann figures that this month the law should be finally passed, with the resulting reductions from the late start on financing various programs.

Hamburg Meeting

With his proverbial optimism, the minister of economic planning presented a rather positive description of Venezuela's participation in the recently concluded Annual Assembly of Governors of the Inter-American Development Bank (IDB), which was held in Hamburg, Germany.

As governor for Venezuela, Hausmann was supposed to give about five presentations on the viability of the country's fiscal accounts, the situation in Latin America, and government policies for combating poverty.

"This event marked the death of the north-south vision of relations between the developed countries and Latin America. Our region is now seen as a land of opportunity with a friendly investment climate, and as a major trading partner."

Worldwide, financial markets are easing up for the region. The Clinton plan has resulted in lower interest rates in the United States, and Germany's and Japan's monetary policies have also brought interest rates down as a means of combating the economic recession. Hausmann noted that this drop in capital yields means that investments are much more interested in our economies.

As far as Venezuela is concerned, he indicated that after the Venezuelan representatives spoke in Germany, participants were left with the feeling that this is a serious country that does not hide its problems and that has made tremendous progress, even after the events of 4 February 1992 and the subsequent political events. He cited the "substantial" progress made on reforming trade, on antidumping legislation, on cleaning up public finance and making it more efficient, and even on adopting fiscal measures to reduce the government's financial deficit this year. "These important adjustments were made recently to adapt to reduced oil revenues and to give our economic policy more continuity."

As an example of how attractive Venezuela is, Hausmann, who is also director of the Central Bank of Venezuela (yesterday he met with Ruth de Krivoy to evaluate the results of recent monetary measures), argues that since interest rate ceilings were raised two weeks ago, "we have seen a return—or an influx—of $200 million" to the country's balance of payments. The minister sees this attraction on the domestic financial market as a sign that confidence is returning, and he considers it a "very significant" development. Hausmann declined to go into more detail on monetary policy, but pointed out, as one indication of how healthy the current situation is, that Venezuela has a competitive exchange rate that has resulted in a 17-percent growth in nontraditional exports in the first months of the year, with respect to the same period last year.

Relations With IDB

In his assessment of the recent meeting with IDB authorities at the Assembly of Governors, Hausmann described Venezuela's relations with that multilateral organization as "perfect." He indicated that this year $700 million in financing will be obtained from the IDB for various programs and investment projects in education, health, highways, and microenterprise financing.

He explained that a list of projects is being drawn up for his signature, and they will be carried out next year. "Social investment looks to the future and it is the best business a country has," he declared.

* Commentary Views Corruption Issue

93SM0230C Caracas EL DIARIO DE CARACAS in Spanish 6 Apr 93 p 6

[Commentary by Silvia Bernardini]

[Text] The example that Italy is setting by severely punishing people who have not been able to manage public monies honestly is proof that values eventually emerge and that corruption will be uncovered sooner or later and the law respected.

Mexico is another country that wants to be known as having rectified many errors and much corruption. President Salinas de Gortari gave evidence of this when he agreed to punish individuals who were obviously involved in corruption. And although it is true that he was unable to put all of the country's corrupt officials in jail, he did manage to have a representative group pay the price for their misdeeds against the people. This was a warning to those who today hold positions that are regarded as powerful.

Brazil was able to recall its president on evidence that he benefited personally from serving as chief executive.

Some action needs to be taken in Venezuela. Regrettably, we are unable to say that a group of powerful individuals have been and are an example of honesty. They have stolen. The evidence? Our huge debt; the sizable resources that we possess and that we have not yet been able to place in the service of our citizens; the individuals charged with corruption who are living overseas; the comment by Margaret Thatcher, who was unwilling to lend Venezuela money because a group of Venezuelans were keeping enough of a fortune in foreign bank accounts to pay off the country's debt; the gold ingots that were sent out of Venezuela during the previous term as collateral for a loan, since we had no credibility...in a nutshell...a credibility that we have been unable to restore because we have not shown that we want to halt corruption.

This is the only country that for many years now has been aware that it is living amid thieves. Charges are made and then investigated, but only two outcomes are ever seen: those who think they have been wronged by the charges and do not trust the country's justice system head overseas, while others see the charges dropped or their convictions overturned owing to lack of evidence. So no one is ever guilty.

We have to wonder then: If no one has done any stealing, why does Venezuela have so many people living in poverty?

The presidential candidates who want to take charge of the country's "destiny" must first and foremost tackle corruption once and for all.

The people will support a president who brings morality back to Venezuela. The political class needs new blood. We have had enough shady deals among parties to further private interests over and above the country's interests.

I think that we all agree that the political party system, the so-called partyocracy, is in decline and that corruption is one of the reasons for this decline.

Now then, will we be able to create for ourselves a political system and a political class that are better than the current ones? Yes, as long as we are able to create a completely new political system and political class.

* Poll: Majority Favors Uninominal System

93SM0230B Caracas EL DIARIO DE CARACAS in Spanish 5 Apr 93 p 34

[Text] According to the latest poll conducted by Multisigno C.A., the great majority of Venezuelans, regardless of income level, sex, or age, want a pure uninominal system for electing their representatives to the Congress of the Republic and to the legislative assemblies.

Last March in Caracas, Maracaibo, Barquisimeto, and Valencia, a total of 85,000 persons were asked how they would like to select their representatives at the next election. A total of 86.5 percent replied that they wanted a pure uninominal system, while just 2.4 percent said they preferred the system of party slates. The findings also show that 6.4 percent of the sample prefer a partial uninominal system for the next election. The rest of the respondents (4.7 percent) said that they were unsure which system they want or simply did not answer.

Uninominal System or Nothing

Breaking down the sample by social class, the polling firm came up with the following findings: 93.8 percent of the respondents belonging to social class "A-B" (middle and upper class) want a pure uninominal system, as do 89.8 percent of the people in socioeconomic stratus "C" (lower middle class) and 80.4 percent of Venezuelans in class "D-E" (lower class).

The preference for a pure uninominal system also holds when the sample is divided into age groups. The findings were that 92.5 percent of the respondents under the age of 24 want this system and flatly reject the idea of choosing their representatives from party slates. This attitude is similar to that of the respondents between 25 and 50 years of age, 91.3 percent of whom support an altogether uninominal system.

A breakdown of the sample by sex shows that 88.1 percent of the men and 84.7 percent of the women want a pure uninominal system.

The Threat of Abstention

In response to the question, "What would you do if the uninominal system you want is not approved?" 53.9 percent of the sample said that they would not vote; 26.2 percent that they would protest; and 9.5 percent that they would do nothing; while 8 percent said that they were unsure what they would do, or did not answer.

Breaking down these data by social class, Multisigno found that the most common reaction among Venezuelans to not being able to vote in a pure uninominal system would be to abstain. Thus, 49.7 percent of the respondents in the upper and middle classes, 55.9 percent in the lower middle class, and 52.8 percent in the lower class said that "they would not vote."

The intention to stay away from the polls was expressed by 52.5 percent of the respondents under the age of 24; 58 percent of the Venezuelans between the ages of 25 and 50, and 41.2 percent of the respondents over 50. Among the women surveyed, 62.7 percent would make this choice, and 46.3 percent of the men gave the same answer.

No More Manual Vote Count

Multisigno's last question was: "How would you like to vote and how would you like the vote of the Venezuelan people to be counted, by automatic machines or the traditional system of manual counting by members of the election boards?" The respondents voiced their preference for the automatic machines (77.8 percent). A mixed system was selected by 10.3 percent of the respondents for use in small towns, where the machines could be too expensive, while the traditional manual count was widely rejected (1.6 percent support).

In conclusion, among the reasons cited by the respondents for preferring the automatic machines, the following stood out: "So they do not cheat," "So that they respect our votes," and "So that we know quickly who won."

Multisigno C.A. also indicated that there were quite a few responses such as "to stop them from cheating us, although the parties will soon find a way to cheat with the machines."